

IOSCO Compliance Statement

Structure of these Statements

For the purpose of this document WMBA Limited and LEBA Limited shall be referred to as the ‘Administrators’ where the context requires unless the content is specific to one administrator where that administrator will be individually named.

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The Administrators, subject to the proportionate approach detailed in the *‘IOSCO Proportionality Statement’* and the representations made by contributors to the benchmarks, make this assessment of compliance with the IOSCO Principles for Financial Benchmarks for those benchmarks identified in the *‘Index & Benchmark Portfolio’*.

External Assessment

Prior to the EU Benchmark Regulation coming into force on 1st January 2018, WMBA Limited was regulated by the FCA under the UK legislation for the activity of administering two specified benchmarks, namely the Sterling Overnight Index Average (“SONIA”) and the Repo Overnight Index Average (“RONIA”). In view of the status of SONIA and RONIA as specified benchmarks under the UK legislation, WMBA Limited undertook specific reviews of the two benchmarks individually against the IOSCO Principles and these statements can be seen below. Independent assurance of the compliance statements made by WMBA Limited was provided by Promontory Financial Group, an IBM company.

- Assessment of IOSCO Compliance Statement (SONIA)¹
- Assessment of IOSCO Compliance Statement (RONIA)

Whilst the EURONIA benchmark and the LEBA indices were not specified under UK legislation and therefore not directly assessed as part of this external review, due to almost identical methodologies, infrastructure and governance frameworks, including but not limited to the Benchmark Oversight Committee with respect to EURONIA, users can take comfort from these reviews when assessing the Administrator’s ability to administer indices and benchmarks.

¹ The final publication of SONIA by WMBA Limited was 20th April 2018. SONIA is now under the full control of the Bank of England.

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The Administrators note that whilst the objective of IOSCO was to create an overarching framework of Principles for Benchmarks used in financial markets, the Administrators shall, where possible and proportionate, apply the framework to all the indices that they administer.

A list of public policies and procedures supporting these statements is provided below:

1. Index & Benchmark Portfolio
2. IOSCO Proportionality Statement
3. Administration Control Framework
4. Submitters Code of Conduct
5. Data Quality Code

For further information in respect of these policies and procedures, or supplementary internal documentation identified within the statements below, please contact WMBA Limited or LEBA Limited on 020 7947 4900 or benchmarkadministrator@wmba.org.uk.

These documents are accurate as at the date of publication. The Administrators reserve the right to make changes to these documents to comply with changes in benchmark regulation.

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GOVERNANCE

IOSCO Principle	LEBA/WMBA Compliance
<p>1. Overall Responsibility of the Administrator The Administrator should retain primary responsibility for all aspects of the Benchmark determination process. For example, this includes:</p> <ul style="list-style-type: none"> a) Development: The definition of the Benchmark and Benchmark Methodology; b) Determination and Dissemination: Accurate and timely compilation and publication and distribution of the Benchmark; c) Operation: Ensuring appropriate transparency over significant decisions affecting the compilation of the Benchmark and any related determination process, including contingency measures in the event of absence of or insufficient inputs, market stress or disruption, failure of critical infrastructure, or other relevant factors; and d) Governance: Establishing credible and transparent governance, oversight and accountability procedures for the Benchmark determination process, including an identifiable oversight function accountable for the development, issuance and operation of the Benchmark. 	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators retain full responsibility for all aspects of the benchmark determination process in line with this Principle 1.</p> <p>See <i>'Administration Control Framework'</i> for details surrounding the organisational and governance in place for the determination of benchmarks.</p>
<p>2. Oversight of Third Parties Where activities relating to the Benchmark determination process are undertaken by third parties - for example collection of inputs, publication or where a third party acts as Calculation Agent - the Administrator should maintain appropriate oversight of such third parties. The Administrator (and its oversight function) should consider adopting policies and procedures that:</p> <ul style="list-style-type: none"> a) Clearly define and substantiate through appropriate written arrangements the roles and obligations of third parties who participate in the Benchmark determination process, as well as the standards the Administrator expects these third parties to comply with; b) Monitor third parties' compliance with the standards set out by the Administrator; c) Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of third parties who participate in the Benchmark determination process; and 	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators do not outsource any of the benchmark determination process to third parties. Each of the activities, including but not limited to, the collection of inputs, publication and calculation of the benchmarks are undertaken by staff of the Administrators.</p> <p>The only functions that are outsourced are the hosting of the data servers and support of the office server and</p>

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<p>d) Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process.</p> <p>This Principle does not apply in relation to a third party from whom an Administrator sources data if that third party is a Regulated Market or Exchange.</p>	<p>PC environments. These functions are provided by trusted specialist service providers with the relevant service agreements and contingencies in place to avoid undue operational risk related to the ability to fulfil all obligations of the benchmark determination process.</p>
<p>3. Conflicts of Interest for Administrators</p> <p>To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate.</p> <p>Administrators should disclose any material conflicts of interest to their users and any relevant Regulatory Authority, if any.</p> <p>The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses and should seek to ensure:</p> <ul style="list-style-type: none"> a) Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations; b) Personal interests and connections or business connections do not compromise the Administrator’s performance of its functions; c) Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts; d) Adequate supervision and sign-off by authorised or qualified employees prior to releasing Benchmark determinations; e) The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject to the disclosure obligations of the Administrator; f) Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and 	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators, through a <i>‘Conflicts Risk Map’</i> and <i>‘Conflicts of Interests Policy’</i> maintain procedures and controls for identifying, managing, recording and, where relevant, disclosing actual or potential conflicts of interest.</p> <p>The <i>‘Conflicts of Interest Policy’</i> is applicable to all Directors, employees and consultants employed by the Administrators.</p> <p>Conflicts, where identified, are recorded within a <i>‘Conflicts Register’</i>.</p>

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<p>g) Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivised by the levels of the Benchmark.</p> <p>An Administrator’s conflict of interest framework should seek to mitigate existing or potential conflicts created by its ownership structure or control, or due to other interests the Administrator’s staff or wider group may have in relation to Benchmark determinations. To this end, the framework should:</p> <p>a) Include measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business (including all staff who perform or otherwise participate in Benchmark production responsibilities), and any other business of the Administrator or any of its affiliates; and</p> <p>b) Provide that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority in a timely manner.</p>	
<p>4. <u>Control Framework for Administrators</u></p> <p>An Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark. The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs. The control framework should be documented and available to relevant Regulatory Authorities, if any. A summary of its main features should be Published or Made Available to Stakeholders.</p> <p>This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas:</p> <p>a) Conflicts of interest in line with Principle 3 on conflicts of interests;</p> <p>b) Integrity and quality of Benchmark determination:</p> <p>i. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with principles 6 to 15 on the quality of the Benchmark and Methodology;</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators have in place a <i>‘Administration Control Framework’</i> which provides the framework to ensure integrity across the determination process of the benchmarks that are produced. This covers:</p> <ol style="list-style-type: none"> 1. Governance 2. Staff 3. Oversight Functions 4. Benchmark Methodologies & Benchmark Statements

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ii. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources;

iii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19; and

iv. Providing robust infrastructure, policies and procedures for the management of risk, including operational risk.

c) Whistleblowing mechanism:
Administrators should establish an effective whistleblowing mechanism to facilitate early awareness of any potential misconduct or irregularities that may arise. This mechanism should allow for external reporting of such cases where appropriate.

d) Expertise:

i. Ensuring Benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence; and

ii. Staff training, including ethics and conflicts of interest training, and continuity and succession planning for personnel.

Where a Benchmark is based on Submissions: Administrators should promote the integrity of inputs by:

a) Ensuring as far as possible that the Submitters comprise an appropriately representative group of participants taking into consideration the underlying Interest measured by the Benchmark;

b) Employing a system of appropriate measures so that, to the extent possible, Submitters comply with the Submission guidelines, as defined in the Submitter Code of Conduct and the Administrators' applicable quality and integrity standards for Submission;

c) Specifying how frequently Submissions should be made and specifying that inputs or Submissions should be made for every Benchmark determination; and

d) Establishing and employing measures to effectively monitor and scrutinise inputs or Submissions. This should include pre-compilation or pre-publication monitoring to identify and avoid errors in inputs or Submissions, as well as *ex-post* analysis of trends and outliers.

5. Internal Controls over Data Collection, Monitoring & Distribution
6. Changes to Methodologies
7. Business Continuity
8. Record Keeping
9. Reporting and Cooperation with Competent Authorities

This framework identifies underlying policies and procedures maintained by the Administrators to allow for the continued production of benchmarks to the standards required under the relevant regulations.

Where the Administrators administer benchmarks with Submitters, they shall to the extent possible, ensure that the Submitters adhere to the *'Submitters Code of Conduct'*. For benchmarks that do not have Submitters, they shall to the extent possible ensure those data providers adhere to the *'Data Quality Code'*.

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5. Internal Oversight

Administrators should establish an oversight function to review and provide challenge on all aspects of the Benchmark determination process. This should include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.

The oversight function should be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.

An Administrator should develop and maintain robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities, if any. The main features of the procedures should be Made Available to Stakeholders. These procedures should include:

- a) The terms of reference of the oversight function;
- b) Criteria to select members of the oversight function;
- c) The summary details of membership of any committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of committee members.

The responsibilities of the oversight function include:

- a) Oversight of the Benchmark design:
 - i. Periodic review of the definition of the Benchmark and its Methodology;
 - ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);
 - iii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorising or requesting the Administrator to

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The Administrators have in place a tiered approach to Internal Oversight.

WMBA Limited & LEBA Limited Boards will be responsible for the benchmark oversight, integrity and governance process. These boards, with structure provided by the 'Terms of Reference' for the relevant board, will be responsible for the strategic direction and operational conduct of the benchmarks and the administrators. The boards may take guidance and advice in this respect from the EVIA or LEBA Data Committees and/or the 'EVIA/LEBA Audit Committee'.

WMBA Limited & LEBA Limited Boards have delegated responsibility for the day to day oversight and monitoring of input data from the data providers and the challenging or validation of the input data to staff employed by the Administrators.

To ensure that the quality and the integrity of the benchmarks are maintained, the oversight and monitoring will be undertaken daily and will cover the following areas:

- a. Adherence to the '*Benchmark Methodologies*';

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undertake a consultation with Stakeholders where known or its Subscribers on such changes as per Principle 12; and

iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation.

b) Oversight of the integrity of Benchmark determination and control framework:

i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;

ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and

iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.

Where conflicts of interests may arise in the Administrator due to its ownership structures or controlling interests, or due to other activities conducted by any entity owning or controlling the Administrator or by the Administrator or any of its affiliates: the Administrator should establish an independent oversight function which includes a balanced representation of a range of Stakeholders where known, Subscribers and Submitters, which is chosen to counterbalance the relevant conflict of interest.

Where a Benchmark is based on Submissions: the oversight function should provide suitable oversight and challenge of the Submissions by:

a) Overseeing and challenging the scrutiny and monitoring of inputs or Submissions by the Administrator. This could include regular discussions of inputs or Submission patterns, defining parameters against which inputs or Submissions can be analysed, or querying the role of the Administrator in challenging or sampling unusual inputs or Submissions;

b) Overseeing the Code of Conduct for Submitters;

c) Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and

- b. Integrity and quality of benchmarks including monitoring the input data for suspicious transactions and the verification thereof (*'Data Collection & Monitoring'*);
- c. Identification and reporting of potential breaches of the Market Abuse Regulation;
- d. Adherence to the applicable code of conduct, either the *'Submitters Code of Conduct'* or *'Data Quality Code'*;
- e. Provision of management reports to the relevant benchmark oversight function; and
- f. Adherence of obligations of third parties who participate in the benchmark determination process

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d) Establishing measures to detect potential anomalous or suspicious Submissions and in case of suspicious activities, to report them, as well as any misconduct by Submitters of which it becomes aware to the relevant Regulatory Authorities, if any.

QUALITY OF THE BENCHMARK

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<p>6. Benchmark Design</p> <p>The design of the Benchmark should seek to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.</p> <p>Benchmark design should take into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest:</p> <ul style="list-style-type: none"> a) Adequacy of the sample used to represent the Interest; b) Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing); c) Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark; d) The distribution of trading among Market Participants (market concentration); e) Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark). 	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The benchmarks administered by the Administrators are transaction-based benchmarks calculated using a predetermined methodology using the volume weighted average price of transaction. The Administrators do not use any discretion in the compilation of the benchmarks.</p> <p>The Administrators have produced <i>‘Benchmark Methodologies’</i> for each benchmark, or family of benchmarks that they administer providing the following details:</p> <ul style="list-style-type: none"> a. All criteria and procedures that are used to develop the benchmarks; b. Criteria that identify the minimum amount of transaction data required for a benchmark

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	<p>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 where there is no transaction data;</p> <p>c. Criteria that address the assessment periods where the input 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; and</p> <p>d. 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>7. Data Sufficiency</p> <p>The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:</p> <p>a) Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</p> <p>b) Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Benchmark measures in order for it to function as a credible indicator of prices, rates, indices or values.</p> <p>This Principle requires that a Benchmark be based upon (i.e., <i>anchored in</i>) an active market having observable <i>Bona Fide, Arms-Length Transactions</i>. This does not mean that every individual Benchmark determination must be constructed solely of transaction data. Provided that an active market exists, conditions in the market on any given day might require the Administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions. Depending upon the Administrator's Methodology, this could result in an individual Benchmark</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The benchmarks administered by the Administrators, are based solely on transaction-based data and are aimed at measuring a specific sample of the market. By measuring the total volume transacted by contributing member firms for specific energy or financial products, the Administrators deem that these represent credible measurements of what the benchmarks intend to measure.</p>

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<p>determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8 Provided that subparagraphs (a) and (b) above are met, Principle 7 does not preclude Benchmark Administrators from using executable bids or offers as a means to construct Benchmarks where anchored in an observable market consisting of <i>Bona Fide</i>, Arms-Length transactions. (For example, this approach might be appropriate in a market where overall transaction volume is high over sustained periods, though on any given day there might be more firm bids and offers than posted transactions taking place). This Principle also recognizes that various indices may be designed to measure or reflect the performance of a rule-based investment strategy, the volatility or behaviour of an index or market or other aspects of an active market. Principle 7 does not preclude the use of non-transactional data for such indices that are not designed to represent transactions and where the nature of the index is such that non-transactional data is used to reflect what the index is designed to measure. For example, certain volatility indices, which are designed to measure the expected volatility of an index of securities transactions, rely on non-transactional data, but the data is derived from and thus “anchored” in an actual functioning securities or options market.</p>	<p>The full ‘<i>Benchmark Methodologies</i>’, including the disclosure of data used to construct the benchmark determination, are published on the Administrators websites (www.wmbaltd.com & www.lebaltd.com).</p>
<p>8. Hierarchy of Data Inputs An Administrator should establish and Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks. In general, the hierarchy of data inputs should include: a) Where a Benchmark is dependent upon Submissions, the Submitters’ own concluded arms-length transactions in the underlying interest or related markets; b) Reported or observed concluded Arm’s-length Transactions in the underlying interest; c) Reported or observed concluded Arm’s-length Transactions in related markets d) Firm (executable) bids and offers; and e) Other market information or Expert Judgments. Provided that the Data Sufficiency Principle is met (i.e. an active market exists), this Principle is not intended to restrict an Administrator’s flexibility to use inputs consistent with the Administrator’s approach to ensuring the quality, integrity, continuity and reliability of its Benchmark</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The benchmarks that are administered by the Administrators are based entirely on transaction-based data with no hierarchy of data inputs considered. The full ‘<i>Benchmark Methodologies</i>’, including the disclosure of data used to construct the benchmark determination, are published on the Administrators websites (www.wmbaltd.com & www.lebaltd.com).</p>

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<p>determinations, as set out in the Administrator’s Methodology. The Administrator should retain flexibility to use the inputs it believes are appropriate under its Methodology to ensure the quality and integrity of its Benchmark. For example, certain Administrators may decide to rely upon Expert Judgment in an active albeit low liquidity market, when transactions may not be consistently available each day. IOSCO also recognizes that there might be circumstances (e.g., a low liquidity market) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given Benchmark determination.</p>	
<p>9. Transparency of Benchmarks Determinations The Administrator should describe and publish with each Benchmark determination, to the extent reasonable without delaying an Administrator publication deadline: a) A concise explanation, sufficient to facilitate a Stakeholder’s or Market Authority’s ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning 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 market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (i.e., <i>transaction-based, spread-based or interpolated/extrapolated</i>); b) A concise explanation of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The benchmarks administered by the Administrators are based solely on transaction-based input data. By measuring the total volume transacted by identified data providers for specific energy or financial products, the Administrators deem that these represent credible measurements of what the benchmarks intend to measure.</p> <p>The Administrators do not use any discretion in the compilation of the benchmarks which are based on a predetermined methodology using the volume weighted average price (“VWAP”) of transaction data.</p> <p>Supplementary to the VWAP published, the total volume transacted for that product and which comprises the volume weighting of that price will be published alongside the benchmark.</p>

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	<p>This supplementary data provides transparency to the constituent parts and the determination of the benchmark.</p>
<p>10. Periodic Review The Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator also should periodically review whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark. The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>To ensure the integrity of the benchmark calculations and that the benchmark reflects the practices in the markets, the Administrators undertake periodic and ad-hoc reviews of their policies and procedures. These reviews consider any changes that would be necessary to enhance the benchmarks given changes to market conditions or activity.</p> <p>The benchmarks administered by the Administrators, are based solely on transaction-based data. By measuring the total volume transacted by identified data providers for specific energy or financial products, the Administrators deem that these represent credible measurements of what the benchmarks intend to measure.</p>

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QUALITY OF THE METHODOLOGY

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<p>11. Content of the Methodology</p> <p>The Administrator should document and Publish or Make Available the Methodology used to make Benchmark determinations. The Administrator should provide the rationale for adopting a particular Methodology. The Published Methodology should provide sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments.</p> <p>At a minimum, the Methodology should contain:</p> <ul style="list-style-type: none"> a) Definitions of key terms; b) All criteria and procedures used to develop the Benchmark, including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods; c) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations; d) The procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models); e) The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable; f) Information regarding the frequency for internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology; g) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and h) The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs. 	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The benchmarks, as identified in the <i>'Index & Benchmark Portfolio'</i>, are based on the volume weighted average of all 'qualifying trades' conducted in the relevant and specified time period as defined within the relevant <i>'Benchmark Methodologies'</i>.</p> <p>These <i>'Benchmark Methodologies'</i> are published on the Administrators websites (www.wmbaltd.com & www.lebaltd.com).</p>

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<p>Where a Benchmark is based on Submissions, the additional Principle also applies: The Administrator should clearly establish criteria for including and excluding Submitters. The criteria should consider any issues arising from the location of the Submitter, if in a different jurisdiction to the Administrator. These criteria should be available to any relevant Regulatory Authorities, if any, and Published or Made Available to Stakeholders. Any provisions related to changes in composition, including notice periods should be made clear.</p>	
<p>12. Changes to the Methodology An Administrator should Publish or Make Available the rationale of any proposed material change in its Methodology, and procedures for making such changes. These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark’s use) of changes. Those procedures should be consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations. When changes are proposed, the Administrator should specify exactly what these changes entail and when they are intended to apply. The Administrator should specify how changes to the Methodology will be scrutinised, by the oversight function. The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark’s use and the nature of the Stakeholders. Procedures should: a) Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyse and comment on the impact of such proposed material changes, having regard to the Administrator’s assessment of the overall circumstances; and b) Provide for Stakeholders’ summary comments, and the Administrator’s summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>Where the result of the Administrators periodic review or that of any ad-hoc reviews deemed necessary, and where the review necessitates a material change of methodology in respect of a given benchmark and as defined in the Benchmark Methodology, the Administrator through guidance from the relevant oversight function, will consult with key stakeholders of the benchmark providing necessary information and timelines in line with the <i>‘Administration Control Framework’</i>.</p>

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13. Transition

Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark. The Administrator should take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.

These written policies and procedures should be Published or Made Available to all Stakeholders. Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:

- a) Contracts or other financial instruments that reference a Benchmark, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Benchmark; and
- b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.

Administrators' written policies and procedures to address the possibility of Benchmark cessation could include the following factors, if determined to be reasonable and appropriate by the Administrator:

- a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics (e.g., credit quality, maturities and liquidity of the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;
- b) The practicality of maintaining parallel Benchmarks (e.g., where feasible, maintain the existing Benchmark for a defined period of time to permit existing contracts and financial instruments to

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The Administrators have in place a '*Benchmark Cessation Plan*' to enable them to, where deemed appropriate, cease the activity of administering a benchmark.

When considering the possible need for cessation of a benchmark, the Administrators shall consider, where possible, the following:

- The user base and the extent to which the benchmark is used by each user; including the products for which the benchmark is related.
- The liquidity and structure of the underlying market from which the benchmark is created.
- The governance in place to manage the benchmark to acceptable market levels.
- The financial viability of continuing to administer the benchmark.
- Any external consideration of changes to regulation which might affect the administration of the benchmark. By way of an example, the adoption of

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<p>mature and publish a new Benchmark) in order to accommodate an orderly transition to a new Benchmark;</p> <p>c) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p> <p>d) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and</p> <p>e) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.</p>	<p>regulation superseding the current regulation of the benchmark.</p>
<p>14. <u>Submitter Code of Conduct</u> Where a Benchmark is based on Submissions, the following additional Principle also applies: The Administrator should develop guidelines for Submitters (“Submitter Code of Conduct”), which should be available to any relevant Regulatory Authorities, if any and Published or Made Available to Stakeholders.</p> <p>The Administrator should only use inputs or Submissions from entities which adhere to the Submitter Code of Conduct and the Administrator should appropriately monitor and record adherence from Submitters. The Administrator should require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred.</p> <p>The Administrator’s oversight function should be responsible for the continuing review and oversight of the Submitter Code of Conduct.</p> <p>The Submitter Code of Conduct should address:</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>Where the Administrators administer benchmarks with Submitters, they shall to the extent possible, ensure that the Submitters adhere to the <i>‘Submitters Code of Conduct’</i>. For benchmarks that do not have Submitters, they shall to the extent possible ensure those data providers adhere to the <i>‘Data Quality Code’</i>.</p> <p>A Submitter should, in line with the <i>‘Submitters Code of Conduct’</i>, have in place the following:</p> <ul style="list-style-type: none"> • internal policies covering the submission process • governance systems • training

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a) The selection of inputs;
 b) Who may submit data and information to the Administrator;
 c) Quality control procedures to verify the identity of a Submitter and any employee(s) of a Submitter who report(s) data or information and the authorization of such person(s) to report market data on behalf of a Submitter;
 d) Criteria applied to employees of a Submitter who are permitted to submit data or information to an Administrator on behalf of a Submitter;
 e) Policies to discourage the interim withdrawal of Submitters from surveys or Panels;
 f) Policies to encourage Submitters to submit all relevant data; and
 g) The Submitters' internal systems and controls, which should include:
 i. Procedures for submitting inputs, including Methodologies to determine the type of eligible inputs, in line with the Administrator's Methodologies;
 ii. Procedures to detect and evaluate suspicious inputs or transactions, including inter-group transactions, and to ensure the *Bona Fide* nature of such inputs, where appropriate;
 iii. Policies guiding and detailing the use of Expert Judgment, including documentation requirements;
 iv. Record keeping policies;
 v. Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;
 vi. Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime);
 vii. Suspicious Submission reporting;
 viii. Roles and responsibilities of key personnel and accountability lines;
 ix. Internal sign off procedures by management for submitting inputs;
 x. Whistle blowing policies (in line with Principle 4); and
 xi. Conflicts of interest procedures and policies, including prohibitions on the Submission of data from Front Office Functions unless the Administrator is satisfied that there are adequate internal oversight and verification procedures for Front Office Function Submissions of data to an Administrator (including safeguards and supervision to address possible conflicts of interests as per paragraphs (v) and (ix) above), the physical separation of employees and reporting lines where

- record keeping
- compliance
- internal controls
- audit
- disciplinary procedures, including complaints management and escalation processes.

Alongside this '*Submitters Code of Conduct*', those providing data to the Administrators to be used within the determination of a benchmark, shall enter into a data supply agreement with the benchmark detailing the rights and obligations in respect of the data and the submission of such data by the submitter.

In addition to this Principle 14, the Administrators when maintaining the '*Submitters Code of Conduct*', shall consider the following regulations:

- the EU Market Abuse Regulations in force on 3 July 2016 making the manipulation of a benchmark a criminal offence
- the EU Benchmark Regulation, which entered into force 30 June 2016 introducing a common framework to ensure the accuracy and integrity of benchmarks used in financial instruments and financial contracts.
- The FCA's Handbook (MAR 8) rules governing the provision of, or contribution to, benchmarks.

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<p>appropriate, the consideration of how to identify, disclose, manage, mitigate and avoid existing or potential incentives to manipulate or otherwise influence data inputs (whether or not in order to influence the Benchmark levels), including, without limitation, through appropriate remuneration policies and by effectively addressing conflicts of interest which may exist between the Submitter’s Submission activities (including all staff who perform or otherwise participate in Benchmark Submission responsibilities), and any other business of the Submitter or of any of its affiliates or any of their respective clients or customers.</p>	
<p>15. Internal Controls over Data Collection When an Administrator collects data from any external source the Administrator should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of the Front Office Function, the Administrator should seek corroborating data from other sources.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators have appropriate internal controls in place for the collection of data from data providers to be used within the determination of the benchmarks. <i>‘Data Collection & Monitoring’</i>.</p> <p>Input data collection is not restricted to one transmission method, however by whichever manor the input data is received by the Administrators, it shall be subject to the daily data monitoring to ensure erroneous data, where identifiable, is queried and where relevant, is removed prior to calculation.</p> <p>Each source of data shall be subject to the relevant code as detailed in Principle 14.</p>

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ACCOUNTABILITY

IOSCO Principle	LEBA/WMBA Compliance
<p>16. Complaints Procedures</p> <p>The Administrator should establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination.</p> <p>The complaints procedures policy should:</p> <ul style="list-style-type: none"> a) Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process; b) Contain procedures for receiving and investigating a complaint made about the Administrator’s Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints; c) Contain a process for escalating complaints, as appropriate, to the Administrator’s governance body; and d) Require all documents relating to a complaint, including those submitted by the complainant as well as the Administrator’s own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements. <p>Disputes about a Benchmarking determination, which are not formal complaints, should be resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that should be Published or Made Available to Subscribers and Published or Made Available to Stakeholders as soon as possible as set out in the Methodology.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators have in place a written ‘<i>Complaints Policy</i>’ for the effective consideration and proper handling of complaints from its clients, former clients and prospective clients. It sets out the procedures on how a complaint should be brought to the attention of the Administrator and the effective process that shall be followed to ensure it is dealt with by the correct personnel and in the correct manner.</p> <p>Complaints may be received by writing (including email) or verbally (either by telephone or in person). Where any doubt exists as to whether the matter constitutes a complaint, appropriate points of contact are provided.</p> <p>All documentation in relation to a new complaint, existing complaint or resolved complaint shall be recorded in line with the record keeping requirements.</p>

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<p>17. Audits</p> <p>The Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator’s adherence to its stated criteria and with the Principles. The frequency of audits should be proportionate to the size and complexity of the Administrator’s operations.</p> <p>Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator (except for Benchmarks that are otherwise regulated or supervised by a National Authority other than a relevant Regulatory Authority), an Administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator’s adherence to its stated Methodology. The frequency of audits should be proportionate to the size and complexity of the Administrator’s Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators Audit committee meet not less than once per year (to coincide with key dates in the Associations and Limited Companies’ financial reporting cycle). External auditors or internal auditors may request meetings if they consider it necessary.</p> <p>Given the changing environment of the regulation of benchmarks both in the UK and more broadly in the EU, the Administrators may appoint an external auditor to consider the adherence to benchmark policies and procedures against the relevant regulations.</p>
<p>18. Audit Trail</p> <p>Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</p> <ul style="list-style-type: none"> a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination; b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination; c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption; d) The identity of each person involved in producing a Benchmark determination; and e) Any queries and responses relating to data inputs. <p>If these records are held by a Regulated Market or Exchange the Administrator may rely on these records for compliance with this Principle, subject to appropriate written record sharing agreements.</p> <p>When a Benchmark is based on Submissions, the following additional Principle also applies:</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators retain all records relating to the determination of benchmarks in line with record keeping requirements, including but not limited to:</p> <ul style="list-style-type: none"> a. All input data; b. The use of this input data to determine the benchmark and the methodology utilised; c. Any exercise of judgment or discretion by the administrator in the benchmark determination, including the full reasoning for the judgement or discretion, records of the disregard of any input data, in particular where it conformed to

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<p>Submitters should retain records for five years’ subject to applicable national legal or regulatory requirements on:</p> <ul style="list-style-type: none"> a) The procedures and Methodologies governing the Submission of inputs; b) The identity of any other person who submitted or otherwise generated any of the data or information provided to the Administrator; c) Names and roles of individuals responsible for Submission and Submission oversight; d) Relevant communications between submitting parties; e) Any interaction with the Administrator; f) Any queries received regarding data or information provided to the Administrator; g) Declaration of any conflicts of interests and aggregate exposures to Benchmark related instruments; h) Exposures of individual traders/desks to Benchmark related instruments in order to facilitate audits and investigations; and i) Findings of external/internal audits, when available, related to Benchmark Submission remedial actions and progress in implementing them. 	<p>the requirements of the benchmark methodology, and the rationale for its disregard;</p> <ul style="list-style-type: none"> d. The personnel at both the data providers and persons employed by the administrators for determining the benchmarks; and e. All documents relating to any complaint, including those submitted by the complainant as well as the administrator’s records. <p>For benchmarks based on submissions, the obligations of the those providing submissions shall be instructed within the relevant <i>‘Submitters Code of Conduct’</i> or <i>‘Data Quality Code’</i>.</p>
<p>19. Cooperation with Regulatory Authorities Relevant documents, Audit Trails and other documents subject to these Principles shall be made readily available by the relevant parties to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.</p>	<p style="text-align: center;">WMBA Limited & LEBA Limited Compliant</p> <p>The Administrators will continue to engage with regulatory authorities in an open and honest way to enable the authorities to carry out their regulatory and supervisory duties.</p> <p>The Administrators reserve the right to notify the National Competent Authority (NCA) of suspicions where appropriate and provide the relevant information where it suspects that, in relation to any benchmark that it administers, there has been:</p>

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	<ul style="list-style-type: none">a. A material breach of the relevant benchmark regulation;b. Conduct that may involve manipulation or attempted manipulation of a benchmark; orc. Collusion to manipulate or to attempt to manipulate a benchmark.
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