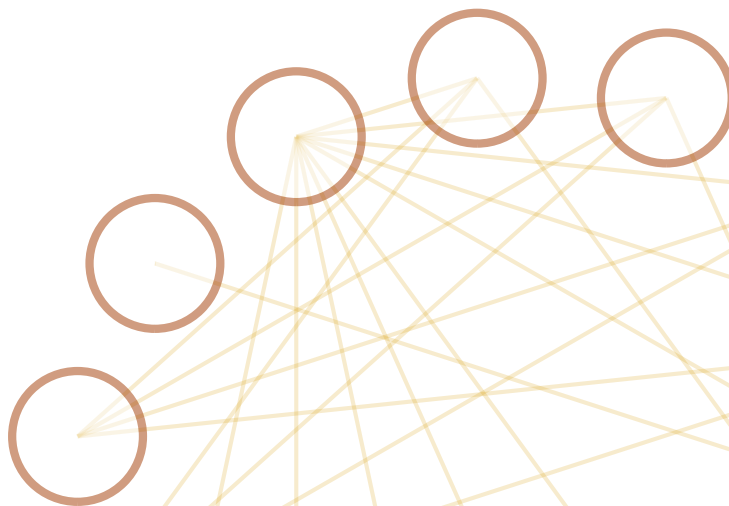




IOSCO Control Framework

Foxberry Ltd
1st February, 2018



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1 Background

1.1 Foxberry and IOSCO

Foxberry Ltd (“**Foxberry**”) is a provider of investable Indices. With regard to its Indices, Foxberry is to be regarded as an Administrator within the meaning of the Principles for Financial Benchmarks published by the International Organization of Securities Commissions (“**IOSCO**”) in July 2013 (the “**Principles**”).

Foxberry welcomes the Principles for Financial Benchmarks and continues to build its Index business based on these Principles in accordance with the IOSCO Control Framework described in this document.

1.2 This document

With regard to the process of all aspects of Administration including calculating, determining and applying the Methodology and disseminating Indices, Foxberry has established a control framework (the “**IOSCO Control Framework**”). The purpose of this document is to serve as a summary of the main features of Foxberry’s IOSCO Control Framework in accordance with the Principles and in particular the “Control Framework for Administrators” as described in section 3.4 as well as explaining in more detail where Foxberry relies on a proportionate view of the Principles.

The structure of the document follows closely the Principles in that the sections 3.1 to 3.19 address each of the Principles in turn.

This document should be read in conjunction with Foxberry’s IOSCO Statement.

2 Definitions

2.1 Definitions

This section contains definitions used in this document. Unless the context otherwise requires, the singular includes the plural and vice versa.

Administration: Includes all stages and processes involved in the production and dissemination of an Index, including:

- (a) Collecting, analysing and/or processing information or expressions of opinion for the purposes of the determination of an Index;
- (b) Determining an Index through the application of a formula or another method of calculating the information or expressions of opinions provided for that purpose; *and*
- (c) Dissemination to users, including any review, adjustment and modification to this process.

Administrator: An organisation or legal person that controls the creation and operation of the Index Administration process, whether or not it owns the intellectual property relating to the Index. In particular, it has responsibility for all stages of the Index Administration process, including:

- (a) The calculation of the Index;
- (b) Determining and applying the Methodology; *and*
- (c) Disseminating the Index.

Audit Trail: For the purposes of the Index-setting process, the documentation and retention of all relevant data, Submissions, other information, judgments (including the rationale for any exclusions of data), analyses and identities of Submitters used in the Index-setting process for an appropriate period.

Calculation Agent: A legal entity with delegated responsibility for determining an Index through the application of a formula or other

method of calculating the information or expressions of opinions provided for that purpose, in accordance with the Methodology set out by the Administrator.

Expert Judgment: Refers to the exercise of discretion by an Administrator or Submitter with respect to the use of data in determining an Index. Expert Judgment includes extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller's credit quality, or weighting firm bids or offers greater than a particular concluded transaction.

Index: The Indices in scope of this document are prices, estimates, rates, Indices or values that are:

- (a) Made available to users, whether free of charge or for payment;
- (b) Calculated periodically, entirely or partially by the application of a formula or another method of calculation to, or an assessment of, the value of one or more underlying Interests;
- (c) Used for reference for purposes that include one or more of the following:
 - (i) determining the Interest payable, or other sums due, under loan agreements or under other financial contracts or instruments;
 - (ii) determining the price at which a financial instrument may be bought or sold or traded or redeemed, or the value of a financial instrument; *and/or*
 - (iii) measuring the performance of a financial instrument.

Index Linked Products: investable financial products referencing Indices.

Interest: Refers to any physical commodity, currency or other tangible goods, intangibles (such as an equity security, bond, futures contract, swap or option, interest rates, another index, including indexes that track the performance of a rule-based trading strategy or the volatility of a financial instrument or another index), any financial instrument on an Interest, which is intended to be measured by an Index. Depending on the context, it is assumed that the word "Interest" also includes the market for such Interest.

Market Participants: Legal entities involved in the production, structuring, use or trading of financial contracts or financial instruments used to inform the Index, or which reference the Index.

Methodology: The written rules and procedures according to which information is collected and the Index is determined.

Publish or Make Available: Refers to the expectation that a party such as an Administrator should provide a document or notice to Stakeholders. The means by which such notice is made should be proportionate to the breadth and depth of Index use by Stakeholders, as determined by the Administrator on a “best efforts” basis. Ordinarily, posting a document or notice on the Administrator’s website will meet this expectation.

Regulatory Authority: A governmental or statutory body (not being a Self-Regulatory Organisation) with responsibility for securities and/or commodities and futures regulation.

Self-Regulatory Organisation: An organisation that has been given the power or responsibility to regulate itself, whose rules are subject to meaningful sanctions regarding any part of the securities market or industry. This authority may be derived from a statutory delegation of power to a non-governmental entity or through a contract between a Self-Regulatory Organisation and its members as is authorized or recognized by the governmental regulator. See the Principles, Principle 9.

Stakeholder: Refers to Subscribers and other persons or entities who own contracts or financial instruments that reference an Index.

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

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

3 Principle by Principle

3.1 Overall Responsibility of the Administrator

Foxberry, as Administrator, retains primary responsibility over the following aspects of the Index Administration process:

- (a) **Development:** Foxberry develops Indices which enable investors and market counterparties to gain exposure to investment allocation strategies. Foxberry is responsible for establishing and maintaining accurate definitions of each Index and launching it subject to Foxberry’s approval process.
- (b) **Determination and Dissemination:** Ensuring the accurate and timely compilation, publication and distribution of each Index. In respect of certain Indices, third parties are appointed to calculate the Index or perform specified aspects of the Index determination in accordance with a defined Methodology for the respective Index. Notwithstanding any such appointment, Foxberry, as Administrator, retains the intellectual property and the primary responsibility for determining the Index and will provide oversight of third parties as detailed in section 3.2.
- (c) **Operation:** Foxberry provides appropriate transparency over significant decisions affecting the compilation of the Index 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. Any contingency measures that are not directly addressed in the Methodology for the respective Index shall be subject to the Foxberry’s governance processes as detailed in section 3.5.
- (d) **Governance:** Foxberry has established a transparent governance, oversight and accountability procedures for the Index determination process. Foxberry has established an Index Committee (the “**Index Committee**”) for the purpose of providing governance and internal oversight in respect of all aspects of Foxberry’s Index Administration activity. The roles and responsibilities of the Index Committee is further described in section 3.5.

3.2 Oversight of Third Parties

Where activities relating to the Index determination process are undertaken by third parties - for example collection of inputs, publication or where a third party acts as Calculation Agent - the Index Provision Policy provides that:

- (a) the provision of inputs and services are governed by written agreements which clearly define and substantiate the roles and obligations of third parties who participate in the Index determination process, as well as the standards the Foxberry expects these third parties to comply with;
- (b) the appropriate and proportionate monitoring of such third party is conducted on an on-going basis and their compliance with the standards set out by Foxberry and to implement appropriate measures if those third parties fall short of the standards expected;
- (c) the requirement of Foxberry to Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of the third parties who participate in the Index determination process; *and*
- (d) the requirement of Foxberry to take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Index determination process.

Notwithstanding the appointment of third parties, Foxberry retains primary responsibility for the Administration of its Indices (please refer to section 3.1).

3.3 Conflicts of Interest for Administrators

In the normal course of business, Foxberry may act as a licensing agent of a Foxberry Index, calculate a Foxberry Index, arrange a transaction linked to a Foxberry Index or distribute a product linked to Foxberry Index. Under such arrangements, Foxberry is likely to receive remuneration linked to the aggregate notional linked to such Index. Owing to the multiple roles that Foxberry performs with respect to Foxberry Indices, potential conflicts of interest may arise. Foxberry is committed to identifying potential conflicts of interest which may arise and managing them in an appropriate manner in order to protect the integrity and independence of Index determinations. To this end, Foxberry has Conflicts of Interest Policy and Procedures. These procedures are designed to protect the integrity and independence of Foxberry's Index determination process and ensure that Foxberry can appropriately identify, disclose, manage, mitigate or avoid

existing or potential conflicts of interest and that appropriate escalation procedures are in place.

In particular, the Index Provision Policy and the Conflicts of Interest Policy and Procedures put the following restrictions on Foxberry and its employees:

- (a) Foxberry does not issue or enter into Index Linked Products;
- (b) Foxberry does not market make or hedge transactions linked to an Index;
- (c) Foxberry does not provide price data used as a pricing source for an Index (with the exception of prices of other Foxberry Indices which are also subject to the governance described in this document);
- (d) pricing data shall be sufficiently accurate and reliable to represent the Interest measured by the Index;
- (e) the goals, rewards and incentives for Foxberry personnel shall not be directly or indirectly tied to the levels or performance of the Indices (other than being tied to the overall success of the firm which may be contingent on the success of its Indices);
- (f) the Methodology should be rules based, enabling investors and hedging counterparties to check the calculation of the Indices;
- (g) the disclosure of any material conflicts of interest; *and*
- (h) any determination with regard to an Index which is not handled by the Methodology shall be overseen by the Index Committee;

3.4 Control Framework for Administrators

Foxberry has implemented a control framework for the process of creating, determining and distributing its Indices. The framework has been tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Index setting process and to the nature of Index inputs and outputs.

Foxberry's control framework is documented through an internal Index Provision Policy document (the "**Index Provision Policy**") as well as a number of policies and procedures. This document serves as a summary of Foxberry's control framework.

The control framework is reviewed regularly by the Index Committee, who decides on any appropriate updates.

In particular, the control framework addresses:

- (a) **Conflicts of interest:** Foxberry maintains organisational and administrative arrangements (including policies and procedures) to identify, manage, mitigate or avoid existing or potential conflicts of interests that may arise from the process of Index Administration as detailed in section 3.3.
- (b) **Integrity and quality of Index determinations:** The integrity and quality of Index determinations is maintained as described in this document in section 3.6 to 3.15. The Index Provision Policy document requires adequate due diligence on input sources. Section 3.16 to 3.19 describes arrangements to ensure accountability and section 3.16 the complaints mechanisms available. Foxberry's board of directors as well as the Index Committee oversees Foxberry's management of risks (including operational risk).
- (c) **Whistleblowing mechanism:** To facilitate early awareness of any potential misconduct or irregularities that may arise, Foxberry has a Whistleblowing Policy which sets out mechanisms available for personnel to raise concerns with the knowledge that it will be taken seriously and that no action will be taken against them.
- (d) **Expertise:** Foxberry ensures that all personnel involved in Index Administration activity possess the necessary levels of expertise and competence and are subject to ongoing training and competence requirements as well as fit and proper requirements.

3.5 Internal Oversight

Foxberry has established an Index Committee to provide oversight of the Index determination process and to be the governing function of Foxberry's Indices. In accordance with the Index Provision Policy, the Index Committee shall review and provide challenge on all aspects of the of the Index determination process, including considering the features of the Index and its intended or expected usage of the Index as well as the materiality of existing or potential conflicts of interest.

In order to provide effective challenge and governance, the Index Committee shall consist of senior members of Foxberry's management team as well as the Compliance Officer. Each individual Member shall have an appropriate level of seniority and experience to participate, and knowledge and expertise relating to the activities of the Foxberry's Index Business. Members can be suggested by other Index Committee members or the board of directors and membership is subject to approval by the Index Committee. To allow for time-sensitive decisions, an Index Committee meeting may take place without a physical gathering, for instance telephone and/or email. The Index Committee shall meet at least four times a year. An

Index Committee member may resign from the Index Committee at any time by giving reasonable notice to the chairperson in writing or immediately upon notice where such member is subject to incapacity, illness or a material conflict of interest.

The responsibilities of the Index Committee include:

- (a) oversight of the Index design:
 - (i) a periodic review of the definition of the Index and its Methodology;
 - (ii) taking measures to remain informed about issues and risks to the Index;
 - (iii) overseeing any changes to the Methodology of an Index, 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 undertake a consultation with Stakeholders where known or its Subscribers on such changes as per section 3.12; *and*
 - (iv) reviewing and approving procedures for termination of the Index, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation as per section 3.13.
- (b) oversight of the integrity of Index determination and control framework:
 - (i) overseeing the management and operation of the Index, including activities related to Index 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.

Information about changes to Indices and related matters are considered to be potentially market moving and material. Therefore, all Index Committee discussions are confidential until any specific outcome is announced as the case may be.

As described in section 3.14, Foxberry does currently not Administer Indices based on Submissions.

3.6 Index Design

The Index Provision Policy specifies that the design of an Index 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 Index. To that end the Index Provision Policy requires that:

- (a) the Index shall have a clearly defined objective;
- (b) the Index shall have a clear and robust Methodology in the light of the objective; *and*
- (c) the Index shall be sufficiently rules based and not allow Administrator Personnel to exercise undue discretion.

The Index Provision Policy states that when assessing these design considerations, the underlying components of the proposed Index may be considered, where appropriate, by reference to:

- (a) the adequacy of the components used to represent the relevant Interest;
- (b) the size and liquidity of the relevant market (e.g. whether there is sufficient trading to provide observable, transparent pricing);
- (c) the relative size of the underlying market in relation to the anticipated volume of trading in the market that references the Index;
- (d) the distribution of trading among Market Participants (market concentration); *and*
- (e) market dynamics

3.7 Data Sufficiency

The Index Provision Policy requires that the data used to construct an Index determination should be sufficient to accurately and reliably represent the Interest measured by the Index and should:

- (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*
- (b) be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Index measures in order for it to function as a credible indicator of prices, rates, Indices or values.

Foxberry's data inputs include:

- (a) **Exchange prices:** These include the published prices for all forms of exchange traded instruments including stocks, exchange traded funds, futures, options and other derivatives traded on a variety of underlying assets across asset classes and other exchange traded products.
- (b) **Other market data and fixings:** These include Interest rates, foreign exchange rates and other market prices, levels and values published by administrators or third party data providers. Examples include, but are not limited to, benchmark Interest rates and foreign exchange rates, the levels of Indices published by third parties, fixings, corporate action data for listed shares and third party industry, category, style or similar classifications for shares, commodities or other financial instruments.
- (c) **Official data and statistics:** This includes, but are not limited to, economic, industry data, trade data, indicators, forecasts, projections or statistics published by governments, government agencies or international organisations or similar entities.

Foxberry may use closing prices, settlement prices, intraday snapshot prices or other methodologies such as volume-weighted average price and time-weighted average price, as defined in the Methodology of each Index. Where appropriate, Foxberry may use executable bid or ask quotes provided that these are derived from an active market or interpolate between different quotes or prices.

3.8 Hierarchy of Data Inputs

Indices typically use data inputs as part of the Index determination. Section 3.7 specifies the typical type of data inputs used by Foxberry Indices, in each case as specified in the Methodology. The majority of Indices specify a single data input rather than a hierarchy of inputs.

Each Methodology document typically contains the corresponding consequences for specific market disruption events that are relevant for the components underlying the respective Index. To the extent that a market event is not fully anticipated or addressed in the Methodology, or any necessary data input is unavailable or considered by Foxberry to be unreliable for any reason, then Expert Judgment may be used in performing the relevant determination. Such Expert Judgment is subject to a oversight by the Index Committee, taking into account the following aims:

- (a) maintaining the investability of the Index;
- (b) ensuring continued integrity of the Index; *and*

(c) ensuring a fair outcome for investors.

Expert Judgment may also be used by the Foxberry in relation to corporate actions, limitations, suspensions or disruptions of trading in relevant underlying instruments, unavailability or restatements of input data, corporate actions, unanticipated holidays or market closures, force majeure events and/or cases or circumstances in relation to which the Methodology is silent in order to appropriately reflect the commercial objective of the Index and market practice in relation to such events. Expert Judgment will be exercised (i) in good faith and in a commercially reasonable manner; (ii) to the extent practicable, reflecting the commercial objective of the relevant Index and market practice; *and* (iii) to the extent practicable, in a manner which promotes consistency in the exercise of Expert Judgment and the making of determinations in respect of the relevant Index and other Indices administered by Foxberry.

3.9 Transparency of Index Determinations

Foxberry Indices follow the process and set of rules defined in the Methodology. As the Methodology is a transparent rules based document using third-party data inputs, Foxberry does normally not publish an additional specific explanation with regard to every Index determination.

On an exceptional basis, an Index determination may be subject to Expert Judgement. This is further explained in section 3.8. In these circumstances, a concise explanation of the extent to which and the basis upon which Expert Judgment was used will be communicated to Stakeholders, as appropriate.

3.10 Periodic Review

The Index Provision Policy requires the Index Committee to periodically review the conditions in the underlying Interest that the Index measures to determine whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Index. If such a review leads to a material revision to an Index, Foxberry will publish or make available a summary of such reviews, including the rationale for such revision.

3.11 Content of the Methodology

As stipulated by the Index Provision Policy, the Methodology for each Index is formalised in the applicable Methodology document which is made available to Stakeholders through a variety of means. The Methodology

document may cover a single Index or a family of Indices of similar construction, in which case both the common and unique characteristics of the relevant Indices are described. The Methodology should provide sufficient detail to allow Stakeholders to understand how the Index is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments.

The Index Provision Policy stipulates that the Methodology should contain:

- (a) definitions of key terms;
- (b) all criteria and procedures used to develop the Index, including input selection, the mix of inputs used to derive the Index, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types if applicable, minimum data needed to determine an Index, and any models or extrapolation methods;
- (c) procedures and practices designed to promote consistency in the exercise of Expert Judgment between Index determinations;
- (d) the procedures which govern Index 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 an Index 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 an Index, including its operation in illiquid or fragmented markets and the possible concentration of inputs.

3.12 Changes to the Methodology

Although the Methodology is intended to be comprehensive and accurate, ambiguities may arise and errors or omissions may have been made. In such circumstances, Foxberry shall follow procedures, which are proportionate to the amount and type of Index Linked Products referencing the relevant Index which are currently in existence. The Index Provision Policy stipulates

that the Index Committee shall provide oversight and scrutinise all changes made to Indices.

Where a proposed change of the Methodology is considered material, the matter must be brought before the Index Committee for consideration to ensure the continued integrity of the Index determinations. When determining if a proposed change is material, Foxberry shall consider:

- (a) any economic and/or financial impact of the proposed change to investors in Index Linked Products;
- (b) whether the change is related to Submissions;
- (c) if the original intent and/or function of the Index is retained;
- (d) whether the Index currently has outstanding Index Linked Products;
and
- (e) the extent of which the change is consistent with the design objective of the Index.

The following amendments to the Methodology are examples of non-material changes:

- (a) correction of typos;
- (b) clarifications;
- (c) adding or removing language not impacting how the Methodology is normally applied, including disclaimers, regulatory statements, governance procedures and examples;
- (d) amending the structure of the Methodology document;
- (e) amending the coverage of the Methodology to include or remove other Indices of similar characteristics;
- (f) a temporary change in the manner in which a particular Methodology is applied and/or the exercise of Expert Judgment in the event on a market disruption or under other circumstances where an urgent determination is required (provided that such Expert Judgment shall be overseen by the Index Committee and if practicable such determination will be conducted by the Index Committee);
- (g) amendment of the embedded transaction costs or tax rates of an Index, provided that such amendment is always subject to Index Committee approval and notification to Stakeholders either on a per-client basis or notification on Foxberry's website; *and*
- (h) amending minor details such as rounding accuracy (provided that such change shall be approved by the Index Committee)

Foxberry has developed Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material, and that are appropriate and proportionate to the breadth and depth of the Index's use and the nature of the Stakeholders. Any such decision to survey Stakeholders shall be taken by the Index Committee. The Index Provision Policy stipulates that such consultation should:

- (a) disclose the rationale of such proposed change;
- (b) exactly what the changes entail;
- (c) when the changes are intended to apply;
- (d) 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*
- (e) 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.

Following such consultation, Foxberry shall notify Stakeholders of any change of Methodology, either on an per-client basis where applicable or through a notice on its website.

3.13 Transition

Due to market structure change, product definition change, or any other condition which makes the Index no longer representative of its intended Interest, a possible cessation of an Index may be necessary.

The policies and procedures around Index cessation are described in the Index Provision Policy and can be summarised as:

- (a) such cessation must be approved by the Index Committee;
- (b) if deemed appropriate by the Index Committee, Foxberry shall seek to undertake a survey of Stakeholders on a proportionate basis for feedback on the proposed discontinuance of the Index;
- (c) the Index Committee shall consider the estimated breadth and depth of contracts and financial instruments that reference an Index and the economic and financial stability impact that might result from the cessation of the Index; *and*
- (d) Stakeholders shall be notified of such cessation;

Through its license agreements, Methodology documents and disclaimers, Foxberry calls attention to the possible cessation of the Index or the amendment of the Index, to encourage Subscribers and Stakeholders who have financial instruments that reference an Index to take steps to make sure that:

- (a) contracts or other financial instruments that reference an Index, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Index; *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 an Index.

3.14 Submitter Code of Conduct

Foxberry does currently not administer Indices based on Submissions, based on the below interpretations of the Principles:

- (a) Foxberry Indices are determined using data inputs sourced from third party providers as described in section 3.7. Foxberry does not consider such third party data providers to be Submitters or any of their data to be Submissions; *and*
- (b) Foxberry may act as Administrator of Indices where a third-party provides a selection of components, sector categorisation, screening scores, an investment universe or component weights on a discretionary or rules-based basis (a “**Universe Provider**”). Provided that all price data that goes into calculating the Index is sourced in accordance with section 3.7, Foxberry does not consider such Universe Providers to be Submitters or any of their data to be Submissions.

3.15 Internal Controls over Data Collection

As described in section 3.7, Foxberry relies on third-party data inputs which can be classified as “exchange prices”, “other market data or fixings” or “official data or statistics”. These data inputs are described in the Methodology. As such, the data inputs are transparent and capable of being independently verified.

Foxberry has implemented a number of data quality control measures which are subject to ongoing assessment and enhancement. Where possible, technology-based solutions are implemented in the data collection and transmission process.

3.16 Complaints Procedures

Foxberry has established an electronic and user-friendly Index complaints process by providing on its website a written complaints policy by which Stakeholders may submit complaints including concerning whether a specific Index determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Index determination(s) and other Administrator decisions in relation to an Index determination.

The Index Provision Policy states that:

- (a) all Complaints will be reviewed by the Index Committee;
- (b) the Compliance Officer will, in consultation with the Index Committee, seek to resolve such complaint as soon as reasonably practicable;
- (c) the complainant and other relevant parties will be advised of the outcome of its investigation within a reasonable period; *and*
- (d) all records relating to a complaints, including those submitted by the complainant as well as the Administrator's own record, will be retained for a minimum of five years (subject to applicable national legal or regulatory requirements);

Disputes about an Index determination, which are not formal complaints, should be resolved by Foxberry by reference to its standard appropriate procedures. If a complaint results in a change in an Index 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.

3.17 Audits

The Principles state that Administrators shall appoint an independent auditor with appropriate experience and capability and that the frequency of audits should be proportionate to the size and complexity of the Administrator's operations. Foxberry has applied proportionality contemplated by the Principles as follows:

Foxberry is authorised and regulated by the Financial Conduct Authority. Although Foxberry is currently not subject to a specific external IOSCO audit, Foxberry is subject to annual external audits with regard to its compliance policies and procedures and monitoring programme. The consultants of Foxberry's external compliance advisor are subject-matter experts. In addition to the annual audits, they also provide Foxberry with ongoing support as well as regulatory updates.

Many of Foxberry's compliance policies and procedures cover areas which are also part of the Principles, including but not limited to the Conflicts of Interest Policy, Complaints Policy and Whistleblowing Policy. As the business grows and index provision regulation comes into force, Foxberry expects to expand the scope of such audit.

The internal oversight is provided by the Index Committee, which uses among other things a Management Information process to oversee a number of metrics.

3.18 Audit Trail

As per the Index Provision Policy, Foxberry and/or the external index calculator as the case may be, keeps written records for five years, subject to applicable national legal or regulatory requirements on:

- (a) all market data, Submissions and any other data and information sources relied upon for Index determination;
- (b) the exercise of Expert Judgment made by the Administrator in reaching an Index 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 an Index determination (provided that where such determination is conducted in an automatic manner, the identities of each person setting up such automated system); *and*
- (e) any queries and responses relating to data inputs.

3.19 Cooperation with Regulatory Authorities

The Index Provision Policy states that relevant documents, Audit Trails and other documents subject to the Principles shall be made readily available by Foxberry to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.

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