

# Moorgate Benchmarks (Ltd & GmbH) Cessation or Material Change Policy

## Change History

Version Number	Editor	Date	Comments
0.1	Gareth Parker	1/7/2018	First draft
1.0	Gareth Parker	17/10/2018	Live document
1.1	Gareth Parker	05/12/2018	Minor updates to reflect expert suggestions
1.2	Gareth Parker	17/07/2020	Update to reflect Moorgate GmbH
1.3	Gareth Parker	30/07/2020	Updated to clarify role of Client Oversight Groups
1.4	Gareth Parker	04/01/2021	Updated regulatory status (UK BMR)

## Distribution

Name	Firm/Department	Location
Gareth Parker	Moorgate Benchmarks	London
Tobias Sproehnle	Moorgate Benchmarks	London

## SUMMARY

To ensure that indices administered by Moorgate Benchmarks Ltd and Moorgate Benchmarks GmbH (together, “Moorgate”) are constructed, maintained and operated to the highest standards, and that indices endorsed by Moorgate or for which Moorgate provides oversight as legal representative under either the UK or EU Benchmarks Regulations are appropriately governed, Moorgate Benchmarks employs a robust governance framework. This framework is used to manage existing indices, approve new indices, approve changes to the methodologies of existing indices, and to oversee indices recognised or endorsed under either the UK Benchmarks Regulation or EU 2016/1011, the EU Benchmarks Regulation.

Moorgate staff also serve on separate Index Oversight Groups (the Groups) where the company acts as legal representative for third country index administrators through the UK & EU BMR article 32 recognition process. Separate terms of reference govern these Groups, but these staff serve on the Moorgate Benchmarks Index Management Committee and are required to inform it of the proceedings of each Index Oversight Group at each meeting of the Committee, in order that they can be reviewed.

Moorgate Benchmarks Ltd and Moorgate Benchmarks GmbH maintain this Cessation or Material Change Policy to provide procedures for the management of potential index cessations, or potential material changes to index methodologies, for use both for its own indices, and to provide the necessary guidance to third country administrators for which Moorgate acts as endorser or legal representative and therefore as part of the required oversight function.

### MATERIAL CHANGES TO INDEX METHODOLOGIES

Changes to the methodology of any index administered by Moorgate may be suggested or requested by:

- Moorgate Benchmarks Ltd or Moorgate Benchmarks GmbH (as appropriate)
- A member of the Moorgate Oversight Function or Index Management Committee
- A member of a client Index Oversight Group
- Index licensees.
- Suggestions or input from the wider investment community are also considered.

The Moorgate Benchmarks Oversight Function will determine whether a proposed change is deemed to be material. However, materiality is in general considered to be a change that changes the governance of the index, will affect constituent eligibility, or change the weightings of constituents of the index.

Where a change is proposed to an index administered by Moorgate, or which Moorgate endorses or provides legal representative services to third country benchmark administrators and therefore is part of the oversight function of those administrators (known within Moorgate as “Index Oversight Groups”), it will endeavour to ensure the following procedures are followed:

- Requested changes will in most instances be considered at the next programmed Index Management Committee or Index Oversight Group, but if a member of that committee considers the requested change to be urgent, a special meeting of the committee can be convened via teleconference.
- Consideration and analysis of the impact of index methodology changes, and the feasibility of implementing them, is the responsibility of the Index Management Committee or Index Oversight Group, who may if appropriate work with the index calculation agent in doing so.

- Any change to an index methodology must be agreed by the Index Management Committee or the relevant Index Oversight Group.
- Changes to indices administered by Moorgate Benchmarks Ltd or Moorgate Benchmarks GmbH must also be agreed by the Moorgate Benchmarks Oversight Function.
- Where a proposed change is material, Moorgate will consult more broadly with index licensees and other users, or advise its endorsement or legal recognition clients to do so. Where an Index Advisory Group exists for an index series, they will be consulted. Such a consultation will be arranged so as to give sufficient time for considered responses to be given before the change is approved.
- Where possible, material methodology changes that impact existing indices will be announced at least one quarter ahead of their implementation.
- All changes are recorded in the minutes of the relevant Committee's meetings and are reflected within the relevant Index Methodology document.

## BENCHMARK CESSATION

Users of indices administered by Moorgate should however be aware that it may at some point become impossible or undesirable to continue calculation of the indices, for reasons both within and external to its control. These might include, for example, a lack of required data or substantiated concerns regarding data quality, insufficient constituents to make a viable index, or a lack of index users.

Where the Moorgate Benchmarks Oversight Function, Index Management Committee or a Client Oversight Group believes a cessation should be considered, those groups will all be consulted. The final decision regarding a cessation lies with the Moorgate Benchmark Oversight Function.

As a result, issuers of products based upon the indices should have procedures or processes to enable them to address this possibility.

Should circumstances arise that might lead to an index ceasing to be calculated, where possible, Moorgate Benchmarks Ltd and Moorgate Benchmarks GmbH will use their best endeavours to forewarn index users and vendors. If a cessation is confirmed, Moorgate will identify (to the best of its ability) index users and vendors, and issue a notification of cessation and the expected cessation date.

Where Moorgate provides endorsement or legal representative services to third country benchmark administrators, it will ensure those administrators have suitable arrangements in place to meet their obligations under the relevant Benchmarks Regulation.)

## APPROVAL



This Cessation or Material Change Policy was approved by the Board of Moorgate Benchmarks Ltd and the directors of Moorgate GmbH, and is reviewed at least annually.