

## Indxx: Statement of Compliance with IOSCO Principles

April 2018

No.	Principle	Description	Compliance	Indxx Response
1	<b>Overall Responsibility of the administrator</b>	<b>The Administrator should retain primary responsibility for all aspects of the Benchmark determination process.</b>		
	A) Development	The definition of the Benchmark and Benchmark Methodology	Yes	<p>Indxx is responsible for the development of benchmarks and benchmark methodology. Methodology documents detailing benchmark construction including corporate actions, corporate events and ground rules for benchmark determination and security selection criteria are present on the website for all benchmarks.</p> <p>For reference, one of the benchmark methodologies can be found in the following link:  <a href="http://www.indxx.com/media/Indxx_500_Index_Methodology_2016.pdf">http://www.indxx.com/media/Indxx_500_Index_Methodology_2016.pdf</a></p>
	B) Determination and Dissemination	Accurate and timely compilation and publication and distribution of the Benchmark	Yes	<p>All benchmark values are available through the Indxx website including back tested history. Additionally, the sources of dissemination (like dedicated FTP servers) are clearly specified in the contracts with clients. For reference, one of the benchmark values can be found in the following link: (Please click “Index values” under “Downloads”)</p> <p><a href="http://www.indxx.com/indxx500.php">http://www.indxx.com/indxx500.php</a></p>
	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	Yes	<p>All data is backed up daily on cloud servers. Indxx has a designated disaster recovery location to ensure business continuity to extenuate contingencies which would lead to disruption of normal working environment.</p> <p>Significant issues affecting determination of benchmarks are received via notifications. Benchmark values are restated using the backed-up values.</p> <p>Public announcements</p>

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				(http://www.indxx.com/announcements.php) are made for all benchmarks for all composition changes, restatements etc.
	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.	Yes	<p>Indxx has established credible and transparent governance, oversight and accountability procedures for the Benchmark determination process, including an identifiable oversight function accountable for the development of the Benchmark.</p> <p>The Index Review Committee is responsible for overseeing the design of the new benchmarks, approving new benchmarks and changes to the existing methodologies.</p>
2	<b>Oversight of Third Parties</b>	<b>Where activities relating to the Benchmark determination process are undertaken by third parties - for example collection of inputs, publication or where some 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:</b>		
		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;	Yes	Indxx has written agreements setting out roles and obligations of each third party involved in the benchmark determination and dissemination process. Names of all the third parties can be made available upon request by regulatory authorities.
		Monitor third parties' compliance with the standards set out by the Administrator;	Yes	Indxx conducts extensive due diligence on third party input aggregators.
		Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of third parties who participate in the Benchmark determination process; and	Yes	If a third party contributes to the determination of the benchmark, that party's association is disclosed to the stakeholders.
		Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process.	Yes	<p>Indxx sources data from multiple vendors to minimize operational risk.</p> <p>In addition, Indxx also calculates and cross checks the treatment of corporate actions affecting index components.</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.		

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3	<b>Conflicts of Interest for Administrators</b>	<b>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.</b>		Indxx has documented, implemented and enforced policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Indxx policies cover a comprehensive set of Conflict of Interest areas such as data protection, confidential information, Chinese walls, employee trading and dealing with gifts. Remuneration policies are designed to de-link performance goals and bonus arrangements from benchmark performance.
	<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>	<p>a) Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;</p> <p>b) Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;</p> <p>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;</p> <p>d) Adequate supervision and sign-off by authorized or qualified employees prior to releasing Benchmark determinations;</p> <p>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;</p> <p>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> <p>g) Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivized by the levels of the Benchmark.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Partial</p>	<p>The Indxx policy that covers conflicts of interest prevents any inappropriate influence on benchmark determination.</p> <p>The Indxx policy ensures that declaration of employees' conflicts of interest that could potentially compromise their function are disclosed.</p> <p>Reporting lines and responsibilities within the Administrator are clearly defined.</p> <p>There is an oversight committee which supervises and sign-off the benchmark constituents prior to releasing benchmark determinations. Prior to a public announcement, all information regarding benchmark constituents and changes remain limited to oversight committee and staff directly involved in benchmark determinations.</p> <p>Everyone part of Administrator is subject to disclosure obligations set by said Administrator.</p> <p>The Indxx policy prevents any exchange of information between stakeholders that would potentially compromise the integrity of benchmark determination.</p> <p>Indxx's remuneration policies ensure that there is no linkage between employees' remuneration and the benchmark levels. However, there is no formal documentation which explicitly mentions the same.</p>

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	<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>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;</p>	Yes	Indxx has a stock disclosure policy signed by all the staff.
		<p>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>	Yes	The stock disclosure policy compels the staff the report conflicts of interest.
4	<p><b>Control Framework for Administrators</b></p>	<p><b>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.</b></p>		Indxx has implemented an appropriate control framework for the process of development, determination and dissemination of the benchmark. Any deviation from the established frameworks must be approved by the oversight committee.
	This control framework	a) Conflicts of interest in line with Principle 3 on conflicts of interests;	Yes	Frameworks to address any actual or potential conflicts of interest in line with Indxx's responses to Principle 3.

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	<p>should be reviewed periodically and updated as appropriate. The framework should address the following areas:</p>	<p>b) Integrity and quality of Benchmark determination:</p> <ul style="list-style-type: none"> <li>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;</li> <li>ii. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources;</li> <li>iii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19; and</li> <li>iv. Providing robust infrastructure, policies and procedures for the management of risk, including operational risk.</li> </ul>	<p>Yes</p>	<p>Arrangements are made through different levels of audit including the Index Review Committee.</p> <p>Procedures and data validation mechanism has been designed to address discrepancies in underlying data covering market data, corporate actions and fundamental data.</p> <p>Control frame work incorporates potential risk and their mitigation process.</p>
		<p>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.</p>	<p>Yes</p>	<p>Indxx has established an effective whistleblowing mechanism which actively encourages employees to raise awareness regarding any potential misconduct.</p>
		<p>d) Expertise:</p> <ul style="list-style-type: none"> <li>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</li> <li>ii. Staff training, including ethics and conflicts of interest training, and continuity and succession planning for personnel.</li> </ul>	<p>Yes</p>	<p>Indxx has employed a competent team for benchmark determination purpose having strong expertise and significant experience in the business. Indxx has instituted a quarterly competency review to maintain the quality of deployed human resources on an ongoing basis.</p> <p>Training program for employees, including specific training to ensure that employees have sufficient Benchmark related expertise.</p>

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	Where a Benchmark is based on Submissions: Administrators should promote the integrity of inputs by:	<p>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;</p> <p>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;</p> <p>c) Specifying how frequently Submissions should be made and specifying that inputs or Submissions should be made for every Benchmark determination; and</p> <p>d) Establishing and employing measures to effectively monitor and scrutinize 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.</p>	NA	Not applicable. Indxx Benchmarks are not based on Submissions.
5	<b>Internal Oversight</b>	<p><b>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.</b></p> <p><b>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, if it otherwise complies with this Principle.</b></p>		Indxx oversight group is called the Index Review Committee, which is responsible for overseeing the design of the new benchmarks, approving new benchmarks and changes to the existing methodologies. The Oversight Committee is comprised of members selected based on their experience, knowledge and independence from the day to day management of the Benchmarks.

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		<p>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:</p> <p>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. No summary detail</p>	Yes	<p>The Index Review Committee is governed by a guide that specifies their roles and responsibilities. The Oversight Committee is comprised of members selected based on their experience, knowledge and independence from the day to day management of the Benchmarks.</p>
		<p>The responsibilities of the oversight function include:</p> <p>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 authorizing or requesting the Administrator to 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.</p>	Partial	<p>The benchmark definitions and their methodologies are reviewed at least annually to ensure that the index continues to provide the same exposure that it initially set out to achieve.</p> <p>No external reviews are commissioned.</p> <p>Any change in the methodology can only be approved by the Index Review Committee. The Committee performs stress tests to analyse the impact of potential changes to the methodology. In case there is any potential material impact, stakeholders are consulted before the change is implemented.</p> <p>All stakeholders are informed well in advance about the termination of a benchmark.</p>

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		<p>b) Oversight of the integrity of Benchmark determination and control framework:</p> <p>i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;</p> <p>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</p> <p>iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.</p>	Yes	<p>The oversight committee oversees the calculation of the benchmark at each stage and periodically audits it. In addition, Indxx also calculates and cross checks the treatment of corporate actions affecting index components.</p> <p>The Index Review Committee periodically assigns an internal audit team to audit the benchmark administration process and identify areas for improvement. The committee designates project managers to implement the changes proposed by the internal audit team.</p> <p>The security selection document clearly explains the framework supporting Expert Judgement. Our methodologies try to be objective to the extent possible. However, in cases where some expert judgement is made in benchmark determination, every such decision is presented to the index review committee who provides approval at each stage before the final sign off.</p>
		<p>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.</p> <p>Where a Benchmark is based on Submissions: the oversight function should provide suitable oversight and challenge of the Submissions by:</p> <p>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 analyzed, or querying the role of</p>	NA	<p>Not applicable. Indxx Benchmarks are not based on Submissions.</p>



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		<p>the Administrator in challenging or sampling unusual inputs or Submissions;</p> <p>b) Overseeing the Code of Conduct for Submitters;</p> <p>c) Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and</p> <p>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.</p>		
6	Benchmark Design	<p><b>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.</b></p>		<p>The Indxx country classification document specifies investability criteria pertaining to every geography to eliminate factors that may lead to distortion of the price, rate, index or value of the benchmark. The methodology for each benchmark, published on the website, describes the key features of the benchmark design, including how it wants to attain a reliable and accurate representation of the interest it seeks to measure.</p>
		a) Adequacy of the sample used to represent the Interest;	Yes	Every asset class has a unique set of factors that ensures adequacy and comprehensiveness of the sample to represent the underlying interest of the benchmark.
		b) Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	Yes	The Index Review Committee periodically reviews and suitably updates the Indxx Country Classification document to ensure sufficient liquidity and tradability for relevant geographies.
		c) Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;	Yes	The Index Review Committee periodically reviews and suitably updates the Indxx Country Classification document to ensure sufficient liquidity and tradability for relevant geographies.
		d) The distribution of trading among Market Participants (market concentration);	Yes	The benchmark methodology ensures that there is equitable and adequate member representation in the benchmark by imposing rules for appropriate diversification and restrictions on maximum weights.
		e) Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).	Yes	Periodic reviews for the benchmark are held to ensure that the benchmark is representative of the underlying definition.

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7	<b>Data Sufficiency</b>	<b>The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:</b>		
		a) Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand to provide confidence that the price discovery system is reliable; and	Yes	Indxx equity Benchmarks use End-of-Day prices sourced from third party vendors. All constituents must be listed at regulated exchanges for inclusion in the portfolio.
		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 for it to function as a credible indicator of prices, rates, indices or values.	Yes	All the instruments included in the benchmarks have an active market which are priced by market forces through arm's length transactions.
		This Principle requires that a Benchmark be based upon (i.e., anchored in) an active market having observable Bona Fide, Arms-Length Transactions. 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 determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8.	Yes	No prices or rates based on bids or offers are used. The only form of extrapolation is the same price used for short time frames due to temporary trading halts.
		<p>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 Bona Fide, Arms-Length transactions.</p> <p>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-</p>	Yes	Indxx equity Benchmarks use End-of-Day prices sourced from third party vendors. All constituents must be listed on regulated exchanges for inclusion in the portfolio. All the instruments included in the benchmarks have an active market which are priced by market forces through arm's length transactions.

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		<p>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>		
8	<b>Hierarchy of Data Inputs</b>			
		<p>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:</p> <ul style="list-style-type: none"> <li>a) Where a Benchmark is dependent upon Submissions, the Submitters’ own concluded arms-length transactions in the underlying interest or related markets;</li> <li>b) Reported or observed concluded Arm’s-length Transactions in the underlying interest;</li> <li>c) Reported or observed concluded Arm’s-length Transactions in related markets;</li> <li>d) Firm (executable) bids and offers;</li> <li>e) Other market information or Expert Judgments.</li> </ul>	NA	<p>Indxx Benchmarks are not based on Submissions. Indxx uses exchange prices or rates through third party data vendors. Indxx does not use derived market data alone for benchmark determination.</p>
		<p>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 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</p>	Yes	<p>Indxx does not permit data sources other than regular exchanges. If data is not published on a regular exchange, the Index Review Committee reserves the right to take a decision on continuation and retention price of the security in the benchmark. Indxx does not consider derived market data for benchmark determination.</p>

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		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.		
9	Transparency of Benchmark Determinations	<p><b>The Administrator should describe and publish with each Benchmark determination, to the extent reasonable without delaying an Administrator publication deadline:</b></p> <p><b>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., transaction-based, spread-based or interpolated/extrapolated);</b></p>		Indxx provides a detailed methodology document on the website for every benchmark covering the security selection procedure, weighing methodology, rebalancing and reconstitution procedure and benchmark mathematics including treatment of corporate actions and the impact of corporate events on the benchmark.
		a) A concise explanation of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.	Yes	There are internal process documents (and research documents) that can be made available upon request. These documents provide the procedure and the explanation behind the expert judgements.
10	Periodic Review	<b>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.</b>		

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		<p>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>Yes</p>	<p>Indxx has procedures in place to review the applicable market factors (including market conditions like abnormal drop in liquidity) relating to each Benchmark to determine whether it would be appropriate to make any changes to the Methodology. All benchmarks are reviewed periodically with a focus on liquidity, investability, regulatory changes and corporate governance. Any potential changes are decided by the Index Review Committee. All stakeholders are informed well in advance if the proposed changes can have an impact on them along with the underlying reasoning through the following link.  <a href="http://www.indxx.com/announcements.php">http://www.indxx.com/announcements.php</a></p>
<p>11</p>	<p><b>Content of the Methodology</b></p>	<p><b>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 Stakeholders, and its appropriateness as a reference for financial instruments.</b></p>		<p>The methodology for each benchmark can be accessed through the Indxx website. The methodology contains sufficient information regarding the benchmark construction and maintenance.</p>

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		<p>At a minimum, the Methodology should contain: 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 possible concentration of inputs.</p>	Partial	<p>All corporate actions are clearly defined along with the treatment for the same. The security selection document clearly delineates the benchmark determination process including the key areas mentioned above. The internal process document clearly explains the framework for exercising Expert Judgment. This document can be made available upon request from regulatory authorities. The procedures to address instances of market stress or disruption, like temporary or prolonged trade halt, is included in the benchmark methodology. Currently the procedures for dealing with error reports and revision of benchmark are not mentioned in the methodology. However, a section on dealing with errors is present in every calculation agreement that Indxx has with external parties. Currently the limitations are not mentioned in the methodology.</p>
		<p>Where a Benchmark is based on Submissions, the additional Principle also applies:</p> <p>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>	NA	<p>Not applicable. Indxx Benchmarks are not based on Submissions.</p>

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12	Changes to the Methodology	<p><b>An Administrator Should Publish or Make Available the rationale of any proposed material changes 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, considering 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.</b></p>		
		<p>The Administrator should specify how changes to the Methodology will be scrutinized, by the oversight function.</p>	Yes	<p>The Index Review Committee scrutinizes any change in the methodology. Whenever a material change is made to the Methodology, Indxx would publish the new methodology document on its website and the stakeholders are informed about the same.</p>
		<p>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:</p> <p>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</p> <p>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>	Yes	<p>Stakeholders are informed about the changes in the methodology.</p> <p>All stakeholders are involved in the discussion and their recommendations are documented.</p>

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13	Transition	<p>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 consider the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.</p> <p><b>These written policies and procedures should be Published or Made Available to all Stakeholders.</b></p>		
		<p>Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <p>a) Contracts or other financial instruments that reference a Benchmark, have robust fallback provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</p> <p>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.</p>	Yes	Indxx mentions to all stakeholders in the methodology that they should plan for possible changes to the Benchmarks or the cessation of a particular benchmark.



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		<p>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:</p> <p>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;</p> <p>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 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>Partial</p>	<p>No alternate benchmarks are mentioned or recommended in any shared document.</p> <p>Indxx maintains parallel benchmarks for transition.</p> <p>Currently there are no procedures for such event.</p> <p>Indxx determines the date of discontinuation considering the time required for migration.</p> <p>Indxx involves all stakeholders in the discussion for determining the date of discontinuation.</p>

No.	Principle	Description	Compliance	Indxx Response
14	<b>Submitter Code of Conduct</b>	<p>Where a Benchmark is based on Submissions, the following additional Principle also applies:</p> <p>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>		

No.	Principle	Description	Compliance	Indxx Response
		<p>The Submitter Code of Conduct should address: 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 appropriate, the consideration of how to identify, disclose, manage, mitigate and</p>	<p>NA</p>	<p>Not Applicable. Indxx Benchmarks are not based on submissions.</p>

No.	Principle	Description	Compliance	Indxx Response
		<p>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>		
15	<p><b>Internal Controls over Data Collection</b></p>	<p><b>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</b></p>	Yes	<p>Indxx sources the prices and corporate actions from multiple data vendors (Bloomberg, FactSet, and EDI). Indxx has implemented robust data integrity checks for data from multiple vendors.</p>

No.	Principle	Description	Compliance	Indxx Response
		<p><b>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.</b></p>		
16	Complaints Procedures	<p><b>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.</b></p>		
		<p>The complaints procedures policy should:</p> <ul style="list-style-type: none"> <li>a) Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;</li> <li>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;</li> <li>c) Contain a process for escalating complaints, as appropriate, to the Administrator’s governance body; and</li> <li>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.</li> </ul>	Partial	<p>Official complaints are collected via emails and calls.</p> <p>Currently there is no documented process for investigating a complaint.</p> <p>There are several levels of escalation that will be addressed by different members of the governance body.</p> <p>Complaints in the form of emails from any stakeholder are retained for five years.</p>

No.	Principle	Description	Compliance	Indxx Response
		<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>		
17	Audits	<p><b>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.</b></p>		<p>There are several layers of internal audit during production, determination and dissemination of a benchmark.</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>	Partial	<p>Indxx has an Internal Audit Committee which would periodically review every benchmark that is created. This Committee is comprised of people that are independent and not associated with the benchmark. Indxx has internal checks to ensure that data provided by external calculation agents is accurate, along with periodic audit of the data.</p>

No.	Principle	Description	Compliance	Indxx Response
18	Audit Trail	<p><b>Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</b></p>		
		<p>a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p> <p>b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p> <p>c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p> <p>d) The identity of each person involved in producing a Benchmark determination; and</p> <p>e) Any queries and responses relating to data inputs.</p>	Yes	<p>All market data and information sources are documented and retained. No submissions used.</p> <p>Retained in form of process document that delineates the framework supporting Expert Judgement.</p> <p>All records pertaining to changes in the methodology are well documented and retained.</p> <p>Every staff member in producing a Benchmark is identified and recorded.</p> <p>Indxx retains market data collected from data vendors that is used in the calculation of the Benchmarks.</p>
		<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>	Yes	<p>All the mentioned documents are internal and can be made available on request by any relevant regulatory authority.</p>

No.	Principle	Description	Compliance	Indxx Response
		<p>When a Benchmark is based on Submissions, the following additional Principle also applies: Submitters should retain records for five years subject to applicable national legal or regulatory requirements on: 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>	NA	Not Applicable. Indxx Benchmarks are not based on submissions.
19	<p><b>Cooperation with Regulatory Authorities</b></p>	<p><b>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.</b></p>	Yes	<p>Indxx remains committed to working with relevant regulators to ensure every guideline is complied with.</p>