

Type:	Policy
Reference number:	202005-01
Subject:	Consultation Policy
Scope:	STOXX Benchmarks
Approved by:	Management Board (“ MB ”)
Approval date:	1 st June 2022
Responsible department:	Product Development (“ Product ”)
Relevant documents:	Terms of Reference – Index Management Committee (“ IMC ”) Terms of Reference / Index Governance Committee (“ IGC ”) Terms of Reference – Oversight Committee (“ OC ”) Terms of Reference – (“ MB ”)
Valid from:	May 2020
Valid until:	Revocation
Version (Updated):	3.1

1. Background

The regulations of benchmarks in the various jurisdictions and for the various types of regulated entities vary in detail, but the general approach is equivalent in principle. In addition, the various rules and regulations use different language and terminology while content-wise is very similar. As such, this Policy uses a harmonized language, which is to be read in conjunction with the specific (national) legal terminology. The most relevant parts of the legislative framework applicable can be summarized as follows:

- **Global:**

Administrators of benchmarks need to comply with requirements of Principle 12 (Changes to the Methodology) of the IOSCO Principles for Financial Benchmarks FR07/13.

- **European Union:**

Administrators of benchmarks used in the EU need to comply with the requirements Regulation (EU) No. 2016/1011 “**EU Benchmark Regulation**” or “**EU BMR**”.

- **United Kingdom¹:**

Administrators of benchmarks used in the UK need to comply with the requirements of Section 3(1) European Union (Withdrawal) Act 2018 (UK) in conjunction with EU BMR (“**UK BMR**”).

2. Objective and Purpose²

The Policy addresses the requirements that must be addressed by STOXX Ltd., Zug, Switzerland (“**STOXX**”) when changing the benchmark methodology.

¹ After the Brexit with an effective date of 31 January 2020, STOXX needs to register for recognition by FCA under UK BMR with a new filing by the end of 2022; until then, UK market access is ensured according to UK BMR transitional provisions.

² Cases or situations not covered by this policy will be covered by processes in the respective STOXX or DAX Index Guides.

3. Scope

This Policy applies to all benchmarks STOXX administers within the meaning of Art. 3(1)(6) EU BMR and any similar or equivalent regime (“**STOXX Benchmarks**”).

4. Market Consultation

When facing a situation that may result in a material change to an index methodology or its implementation or cessation/transition, STOXX seeks to understand the differing perspectives in the investing community through a market consultation granting full transparency of the process to the market. After receiving the feedback, the responsibility to take a decision stays with STOXX.

In case of Changes to Methodology and of Benchmark Transition as described in STOXX Changes to Methodology Policy and in STOXX Benchmark Transition Policy (together referred to as the “Relevant Changes”), STOXX consults with reasonably affected stakeholders (“Stakeholders”) prior to take decision.

Stakeholders mean (a) persons or entities who have an index license with STOXX regarding a benchmark administered by STOXX (Subscriber) and/or as far as STOXX is reasonable aware (b) persons or entities and/or third parties who own contracts or financial instruments that reference a benchmark administered by STOXX (Investors)

Taking into account the Principle of Proportionality, STOXX informs affected Stakeholders as follows:

- either via public consultation open to the entire market and performed via STOXX website;
- or, when the relevant Stakeholders are known, on a restricted basis directly on the Stakeholders e-mail address.

STOXX shall inform in writing the Stakeholders on:

- the key elements of the proposed Relevant Changes
- the rationale for any proposed Relevant Changes
- the specific questions to be answered
- the deadline for receiving feedback
- the timeline of implementation of the Relevant Changes
- contact details where to provide feedback
- relevant definitions

The consultation shall enable Stakeholders to submit comments.

The standard consultation period shall be 1 month with the option to shorten or extend this period.

The IGC may decide, taking into consideration the principles stipulated in the Index Guides and in the Terms of Reference Appendix, to shorten the 1-month period in the following cases:

- in extreme or exceptional market conditions or analogous extraordinary situations
- in urgent cases, such as a situation in which the Index cannot be replicated anymore;
- in situations where there is no known Stakeholders impact or only a limited number of Stakeholders;
- in order to align the effective date of a proposed changed with Index Maintenance; e.g. an Equity/Bond Index Rebalancing, Index Review, and Corporate Action Adjustment, or
- any other similar cases applying the principle of proportionality.

The IGC in accordance with the Index Guides will consider the feedback received and decide whether the Relevant Changes shall become effective.

The IGC is not bound by any feedback received. Moreover, if the received feedback is ambiguous, or if no Stakeholders participated, the IGC may decide to conduct another consultation, which again will not be binding.

If the IGC decides that Relevant Changes shall become effective, STOXX will communicate a timeline on the implementation of the Relevant Changes, if not already communicated in the consultation material.

STOXX will after the consultation make available the Stakeholders feedback received in the consultation and STOXX's summary response to those comments, except where confidentiality has been requested by the respective Stakeholders.

The decision will be communicated as soon as possible in the form of an Announcement or Press Release as described in the Index Guide.

STOXX Ltd. will refrain from issuance of a notification if it reaches the view that the issuance of a notification is not in line with applicable laws and may decide to issue such notification at a later point in time when such reasons have lapsed.

By reason of force majeure or other events beyond the control of STOXX Ltd. it might become impossible for STOXX Ltd. to issue a notification in due time or by the means set out herein. In such cases STOXX Ltd. may exceptionally issue the notification either subsequently immediately following such event or in any case by other means.

As outlined in the Changes to Methodologies policy document version 3.1, Climate Transition Benchmark(CTB) and Paris aligned Benchmark(PAB) related changes require a market consultation independent from being material or not.

5. Policy Revision

This Policy will be reviewed in accordance with the Policy Management Policy and updated as necessary. The responsibility for the updates is assumed by the Head of Product.