



Benchmark Administration Material Change and Cessation Procedure

Citigroup Global Markets Limited

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1. INTRODUCTION

- 1.1 This document constitutes the applicable procedures for making a change to the index methodology or for a possible cessation of a benchmark, as required under Article 28(1) of the Benchmark Regulation.
- 1.2 The objective of this document is to set out the procedures and the escalation process to be followed by Citigroup Global Markets Limited (“**CGML**”), as Administrator, in the event that CGML considers it necessary and appropriate to (i) make changes to a benchmark, and/or (ii) discontinue and cancel a benchmark.
- 1.3 Terms used in this document, but not defined, shall have the meaning ascribed in the Benchmark Administration – Key Terms Document.

2. CHANGES TO BENCHMARKS

- 2.1 Although CGML benchmarks are governed by a static set of rules that are set out in the relevant Index Conditions and are intended to be comprehensive, it is possible that ambiguities, errors and omissions may occur. In such circumstances, CGML shall follow procedures, which it considers are appropriate and proportionate to the amount and type of Index Linked Products referencing the relevant benchmark which are currently in existence.
- 2.2 In summary, the procedures involve three phases: discovery, planning and execution.

Discovery: The Index Calculation Agent shall endeavour to resolve such ambiguity, error or omission using Expert Judgment and may, in consultation with the Index Governance Committee (the “**IGC**”), propose amendments to the Index Conditions to reflect the resolution of such ambiguity, error or omission. In so doing, CGML shall assess whether such change is deemed a “Material Change” and consider the potential impact such change may have on Stakeholders. The Benchmarks Administration Team will maintain records in respect of such assessments. If deemed by CGML to be appropriate and proportionate to the risk and size of the benchmark and depending on the nature of the change, CGML may seek to consult with Stakeholders. Any such decision to consult with Stakeholders shall be considered by the IGC.

Planning: The Index Calculation Agent in consultation with the IGC shall consider (i) the potential impact on Stakeholders, (ii) whether a change to a benchmark (including, without limitation, a change to the composition, input data or calculation methodology) is necessary to ensure that the benchmark continues to be fit-for-purpose, and (iii) any feedback received from Stakeholders (as may be deemed appropriate) prior to implementation.

Execution: The Index Calculation Agent shall be responsible for overseeing and shall consult, as necessary, with the IGC on all three phases of the process and shall consult with the IGC with regard to any proposed amendment to the relevant Index Conditions and may liaise with other teams within Citi with regard to obtaining Stakeholder feedback.

Prior IGC approval is required in connection with any amendments to the methodology deemed a Material Change.



- 2.3 Following a determination that a Material Change to the calculation methodology is required, CGML shall seek to notify Stakeholders of its determination to amend the Index Conditions, indicating the effective date of such change in methodology.

3. CESSATION

- 3.1 In certain limited circumstances, it may be considered necessary to discontinue a benchmark including, without limitation, as a consequence of changes in the underlying components or interest referenced by the benchmark which may mean that such components or interest are no longer adequately represented by the benchmark in the manner originally intended. CGML shall follow the below procedure, which it considers appropriate and proportionate to the number and type of Index Linked Products referencing the relevant benchmark in existence at the relevant time.

- 3.2 In summary the procedures shall involve three phases: discovery, planning and execution.

Discovery: CGML shall assess the potential impact a cessation of a benchmark may have on relevant Stakeholders and, if it deems appropriate and proportionate to do so, may consult with those relevant Stakeholders. Any such decision to consult with Stakeholders shall in the first instance be considered by the IGC.

Planning: CGML shall take an appropriate and proportionate approach and consider (i) the potential impact on Stakeholders, (ii) any feedback received from relevant Stakeholders (as applicable), (iii) the availability of an alternative benchmark, (iv) the extent to which relevant Stakeholders may wish to transition to an alternative benchmark and, if so, the feasibility of maintaining any parallel benchmarks in order to accommodate an orderly transition to an alternative benchmark, (v) the extent to which an alternative benchmark is investable, (vi) the procedures that it shall follow in the event that a suitable alternative cannot be identified, and (viii) timing aspects for the cessation of a benchmark and transition to an alternative.

Execution: The Index Calculation Agent shall be responsible for overseeing and shall consult, as necessary, with the IGC on all three phases of the process with regard to any proposal to cease publication of a benchmark and may liaise with other teams within CGML or its affiliates with regard to obtaining relevant Stakeholder feedback.

Prior IGC approval is required for the cessation of any benchmark administered by CGML.

- 3.3 Following approval, CGML shall provide notice to relevant Stakeholders of its decision to cease publication of a benchmark. Such notification shall be communicated to relevant Stakeholders where reasonably possible.
- 3.4 Index Linked Products typically include fall-back provisions in the event of a cessation of a benchmark and/or the launch of a successor benchmark, as the case may be. The Index Conditions typically contain a description of certain events and circumstances which may result in the cessation of a benchmark in addition to consideration of certain risk factors and limitations associated with a benchmark.

4. ESCALATION

- 4.1 A user of a CGML administered benchmark with a query relating to either (i) proposed change to the index methodology, or (ii) a possible cessation of a benchmark, may address such query to the relevant Citi sales representative or to the Benchmark Administration Team ("**BAT**"), Citi Research & Equity Advisory division at the following address: Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.



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