

CME CF Cryptocurrency Pricing Products Oversight Committee

Founding Charter

Version: 5.0

Version Date: 31st July 2020

Version History

Version	Version Date	Changes to Previous
1	Nov 11 th 2016	N/A
1.1	June 7 th 2018	<p>In scope reference rates and real time indices expanded</p> <p>Generalised wording to support expanded number of reference rates and real time indices</p> <p>Appendix of in scope reference rates and indices added</p> <p>Disclaimer added</p>
2	12 th July 2019	Rebrand to CF Benchmarks
3	11 th September 2019	Update legal text with BMR registration
4	20 th May 2020	Update copyright year
5		<p>Updated Membership</p> <ul style="list-style-type: none"> • Addition of a non-voting member drawn from the compliance function of the Administrator <p>Added responsibilities:</p> <ul style="list-style-type: none"> • Overseeing cessation of any CME CF Cryptocurrency Pricing Products and their consultations • Reporting of misconduct of the Administrator to supervisory authorities

Purpose

This Cryptocurrency Pricing Products Oversight Committee (the “**Oversight Committee**”) has been established jointly by CF Benchmarks Ltd. (“**CF**”) and Chicago Mercantile Exchange Inc. (“**CME**”). The Oversight Committee has been established as part of the governance arrangements relating to the offering of **Cryptocurrency Pricing Products**, (for a full list of available rates and indices please see Appendix A) in order to protect the integrity of the methodology and calculation process and to address potential conflicts of interest. The role of the Oversight Committee is to provide an oversight function to review and provide challenge on all aspects of the methodology and calculation process and provide effective oversight of CF as the administrator of the Cryptocurrency Pricing Products.

Membership

- The initial members of the Oversight Committee and its Chairman shall be appointed jointly by CF and CME with terms as specified in their Appointment Letters. Subsequent appointments shall be approved by the Oversight Committee. No individual may serve on the Oversight Committee for more than four consecutive years. The Chairman of the Oversight Committee shall be a CME Member.
- The Oversight Committee shall be comprised of at least five members, including at least:
 - (i) two who are representatives of CME (“**CME Members**”);
 - (ii) one who is a representative of CF (“**CF Member**”); and
 - (iii) two who bring expertise and industry knowledge relating to benchmark determination, issuance and operations.
 - (iv) One non-voting member who is drawn from the compliance function of the Administrator to provide EU BMR compliance guidance to the other committee members
- Any member of the Oversight Committee may be removed with or without cause jointly by CF and CME. A member may resign by giving at least three business day’s written notice of his or her intention to do so to the Chairman. Upon a resignation or removal, a replacement shall be considered as soon as practicable thereafter.

Oversight Committee Meetings, Tasks and Authority

General

- The Oversight Committee shall meet as often as the Chairman determines necessary to carry out its duties and responsibilities but no less frequently than quarterly and keep minutes of its proceedings.
- Meetings may be held in person or telephonically.
- A quorum of the Oversight Committee shall be a majority of its members. A motion shall pass upon approval from a majority of the members present; provided that at least one CME Member and one CF Member is present. Voting may also be conducted outside a meeting via telephone and/or electronic polling of members; provided approval is received by a majority of the current members of the Oversight Committee and by at least one CME Member and one CF Member.

Responsibilities

- Reviewing on a quarterly basis or more frequently if necessary the determination of the Cryptocurrency Pricing Products and all other matters relating to such determination, including, without limitation, their:
 - a. Definition;
 - b. Setting;
 - c. Scope;
 - d. Methodology; and
 - e. Distribution.

The Oversight Committee shall be informed of changes to any of the matters set out above and shall approve any substantive changes to matters relating to points (d) and (e).

- Reviewing and ensuring CF's role as Administrator and Calculation Agent, that it maintains appropriate procedures and quality of management information for the monitoring and surveillance of the Cryptocurrency Pricing Products.
- Authorizing the appropriate response in the event that any CME CF Reference Rate publishes the prior day's rate three consecutive times.
- Participating in ongoing education pertaining to the Oversight Committee's responsibilities, including the material risks and other issues affecting the Cryptocurrency Pricing Products.
- Assessing the usage and significance of the Cryptocurrency Pricing Products and ensuring they remain effective and representative.

- Reviewing the Practice Standards for the Cryptocurrency Pricing Products at least on an annual basis and approving any substantive amendments.
- Reviewing reports on any complaints or concerns regarding the Cryptocurrency Pricing Products' relevance, resistance to manipulation, replicability, transparency and/or compliance with the applicable methodology and overseeing the related investigation and remedial actions, if any.
- Reviewing and approving the selection criteria applicable to Cryptocurrency exchanges that contribute data relating to the Cryptocurrency Pricing Products (the "**Constituent Exchanges**"), approving the Constituent Exchanges and the process by which relevant submissions are made.
- Approving the removal of any Constituent Exchanges; provided, however, in unusual and extreme circumstances, CF, as the administrator, may take emergency action to remove a Constituent Exchange to preserve the integrity of Cryptocurrency Pricing in accordance with the Practice Standards.
- Assessing potential conflicts of interest in the functioning and operation of the Cryptocurrency Pricing Products or any associated governance framework, policy or control process in accordance with the Cryptocurrency Pricing Products Conflicts of Interest Policy.
- Reviewing the adequacy of the control framework relating to the Cryptocurrency Pricing Products to assess their compliance with the International Organization of Securities Commissions Principles for Financial Benchmarks.
- Reviewing and approving procedures for cessation of any of the CME CF Cryptocurrency Pricing Products, including any consultation regarding a potential cessation
- Reviewing the results of any audit or other external review of the Cryptocurrency Pricing Products and providing oversight over the response and remediation efforts, if any, in response to such reviews.
- Reporting to the relevant supervisory authority any instances of misconduct of the Administrator of which the committee becomes aware, and any anomalous or suspicious input data.
- Reviewing this Charter at least on an annual basis and submitting any recommended changes to CF and CME for approval.

Approved on November 11, 2016

Appendix A

Full List of CME CF Cryptocurrency Pricing Products

CME CF Cryptocurrency Reference Rates

	CME CF Bitcoin Reference Rate	CME CF Ether-Dollar Reference Rate
Ticker Symbol	BRR	ETHUSD_RR
Relevant Pair	Bitcoin vs. U.S. Dollars	Ether vs. U.S. Dollars
Effective Time	4:00 p.m. London time	4:00 p.m. London time

CME CF Cryptocurrency Real Time Indices

	CME CF Bitcoin Real Time Index	CME CF Ether-Dollar Real Time Index
Ticker Symbol	BRTI	ETHUSD_RTI
Relevant Pair	Bitcoin vs. U.S. Dollars	Ether vs. U.S. Dollars
Calculation Frequency	Every second, 24 hours a day, every day	

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