

May 2024

Terms of Reference

**FTSE Russell Digital Assets Advisory
Committee**



**FTSE
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1.0 Constitution

1.1 FTSE Russell has established the FTSE Russell Digital Assets Advisory Committee (the Advisory Committee).

1.2 The Advisory Committee will consist of senior market practitioners who are representatives of the digital asset (index) community.

2.0 Purpose

2.1 The purpose of the Committee is to provide a forum for FTSE Russell to interact with index users and other stakeholders, with a view to enhancing the underlying methodologies for final approval by the FTSE Russell Index Governance Board.

3.0 Responsibilities

3.1 The responsibilities of the Advisory Committee are to:

- Provide feedback and share practical insights on digital asset market structure, trading and market conditions, and price discovery for digital asset securities.
- Provide feedback and guidance on the evolution of FTSE Russell's digital asset index methodologies, policy frameworks, and approach to exchange vetting.
- Provide feedback and receive updates on the development and construction of new digital asset indices.
- Periodically review the ground rules for the digital asset indices at the frequency set out in those rules, as well as other index governance-related documents as required.

3.2 The Committee will not be required to discuss material that might be deemed to be price sensitive. Such material includes the potential treatment of specific forthcoming corporate events (as distinct from rules intended to cover classes of corporate events).

4.0 Members

4.1 Appointment to the Advisory Committee is by invitation and extended on a personal level to individual market practitioners or relevant stakeholders. Members will include those experienced in the day-to-day management of digital asset portfolios, digital asset technologies, regulation and research. Individuals will be invited from organisations that make use of the FTSE Russell's digital asset indices, including asset management companies, investment consultants and investment banks. Representatives from industry bodies, research firms and academia will also be invited as relevant.

4.2 The Chair of the Committee will be the Head of Index Policy or an appointed member of the FTSE Russell Index Policy Team.

4.3 Members of the Committee are nominated and approved by the FTSE Russell Index Policy Team. They will retain membership for a period of three years with the possibility of re-appointment for subsequent terms, as determined by FTSE Russell. The FTSE Russell Committee Secretariat provides the boilerplate terms by which members are appointed.

4.4 Committee membership is predicated by an understanding of or experience in the use of relevant indices; membership of the committee may be rescinded if the individual ceases to be involved in the usage and tracking of the indices in question.

4.5 Committee members may discuss topics raised at the meetings of the Committee with colleagues in their own organisation to source such expertise as is relevant to the issues for which members' views are sought as committee members. In having such discussions, committee members should be aware of their

confidentiality and conflict of interest obligations, as well as the purpose and responsibility of the Committee and their role in it.

4.6 If a committee member cannot attend a meeting, the committee member will make every effort to nominate a deputy to attend in their stead. Committee members understand that admission of a proxy nominee to a committee meeting will only be permitted if the proxy in question has agreed to the FTSE Russell Terms of Proxied Attendance, available from the FTSE Russell Committee Secretary.

4.7 FTSE Russell will not disclose names of committee members and the members of the Committee shall not disclose names of other members to a third party.

4.8 The prospective members of the Committee will be provided with a letter of invitation and the Terms of Reference for the Committee and will be required to acknowledge the letter of invitation confirming their acceptance of its terms.

5.0 Meetings

5.1 The Advisory Committee will meet twice a year to conduct business in accordance with its responsibilities set out in paragraph 3.

5.2 The quorum for all meetings of the Committee is three members. The Chair and the Committee Secretary or a deputy must also be in attendance. Members of the Digital Asset Research Group will be invited to attend as observers.

5.3 An extraordinary meeting of the Advisory Committee may be convened at the request of FTSE Russell.

5.4 Declarations of any known actual or potential conflict of interest with respect to any agenda item can be made at any time before or during the meeting, which will be followed by the appropriate recusal.

5.5 Third-party or any other kind of recording of committee meetings by members is not permitted.

5.6 The minutes of the meeting are to be approved by the members of the Committee.

The Terms of Reference for this Committee shall be reviewed annually by the FTSE Russell Index Governance Board.

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