

FTSE Russell Index Governance Board: Terms of Reference

Overview

The FTSE Russell Index Governance Board (Index Governance Board) is responsible for maintaining the integrity of all index products, the development of index policies and guidelines, and ensuring they evolve according to changing market developments. It is supported by working groups formed of knowledgeable and experienced employees. It also receives input from the external Advisory Committees which are formed of senior, experienced market practitioners, clients and index users.

Further information about the FTSE Russell governance framework is available on our website.

[FTSE Russell Governance Framework.pdf](#)

Responsibility

The FTSE Russell Index Governance Board is responsible for:

- the development of index policies and guidelines, and ensuring they adhere to current index regulation requirements and evolve according to changing market and Regulatory developments.
- Approval of changes to existing products including methodology changes and market consultations;
- Approval of new index policies and revisions to existing ones;
- Approval of Ground Rules, Benchmark Statements and Compliance Statements or updates to existing ones;
- Overseeing the periodic review of all benchmark methodologies, supporting index policies, terms of reference for sub-committees and external advisory committees and their membership;
- Overseeing any index appeals or complaints relating to benchmark determination and directing any appropriate actions;
- Approving the provision of public statements where an index methodology is not sufficiently detailed or an exception is required;
- Providing guidance on the best ways to ensure indices are administered in accordance with relevant regulatory requirements, index rules and policies;
- The annual country classification process and any associated changes;
- Approving any change of data source inputs into an index calculation.



Meetings

The Committee meets every two weeks, or as otherwise required. Papers will be co-ordinated and distributed by the meeting coordinator, who will minute the outcomes of the meeting. On occasions where particular matters require consideration between meetings these may be considered via e-mail or a separate meeting may be convened if necessary.

Members of the Index Governance Board are reminded of their obligations in relation to the confidentiality of information and inside information in relation to matters to be discussed at the start of each meeting. Members are also asked whether there are any actual or potential conflicts of interest which they should declare at the start of the meeting.

Membership

Membership is based on job function and appointment is subject to the agreement of the Chair. The Membership includes the Chairs of the other internal working groups which support the work of the Index Governance Board. Representatives from Risk and Compliance attend in a non-voting capacity. Additional attendees may be invited as required for consideration of a specific matter which warrants their input, but they will not have decision-making authority. Decisions are by simple majority of the voting members at the meeting or, in the absence of a majority, by the Chair.

Quorum

The Chair of the Index Governance Board and one from each of the following areas should be present at each meeting: Product and Research, Index Policy, Index Management, Risk and Compliance. If a member is unable to attend, they must be represented by an alternate who is suitably qualified to make decisions.

Documentation and Communication

- Meeting agenda and accompanying submissions will be distributed no later than the day prior to the meeting.
- Meeting minutes will be distributed to attendees
- Members are responsible for deciding upon the wider dissemination of information and decisions that result within the meeting.
- In the event that a Member is unable to attend the meeting they are responsible for appointing a suitably qualified alternate.

ABOUT FTSE RUSSELL

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

CONTACT US

To learn more, visit [lseq.com/ftse-russell](https://www.ftserussell.com); email info@ftserussell.com; or call your regional Client Service team office:

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