

COINMETRICS

**CMBI
GOVERNANCE
COMMITTEES
CHARTER**

Version 1.1

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1 METADATA

Version: 1.1

Owner: Director of Product, Indexes

Administrator: Coin Metrics Oversight Committee

1.1 CHANGE LOG

Release	Date	Changes	Owner
Version 1.1	Oct 10, 2023	Stronger alignment with BMR Articles and IOSCO Principles	Schonda Fields
Version 1.0	Dec 21, 2021	Finalized CMBI Governance Committee Charter	

1.2 CHARTER ADMINISTRATION

This charter is administered by the Coin Metrics Oversight Committee.

This charter is to be reviewed at least on an annual basis or as needed by the Oversight Committee.

All confidential information prepared for Committee members is not made available to the broader organization.

2 ORGANIZATIONAL FRAMEWORK

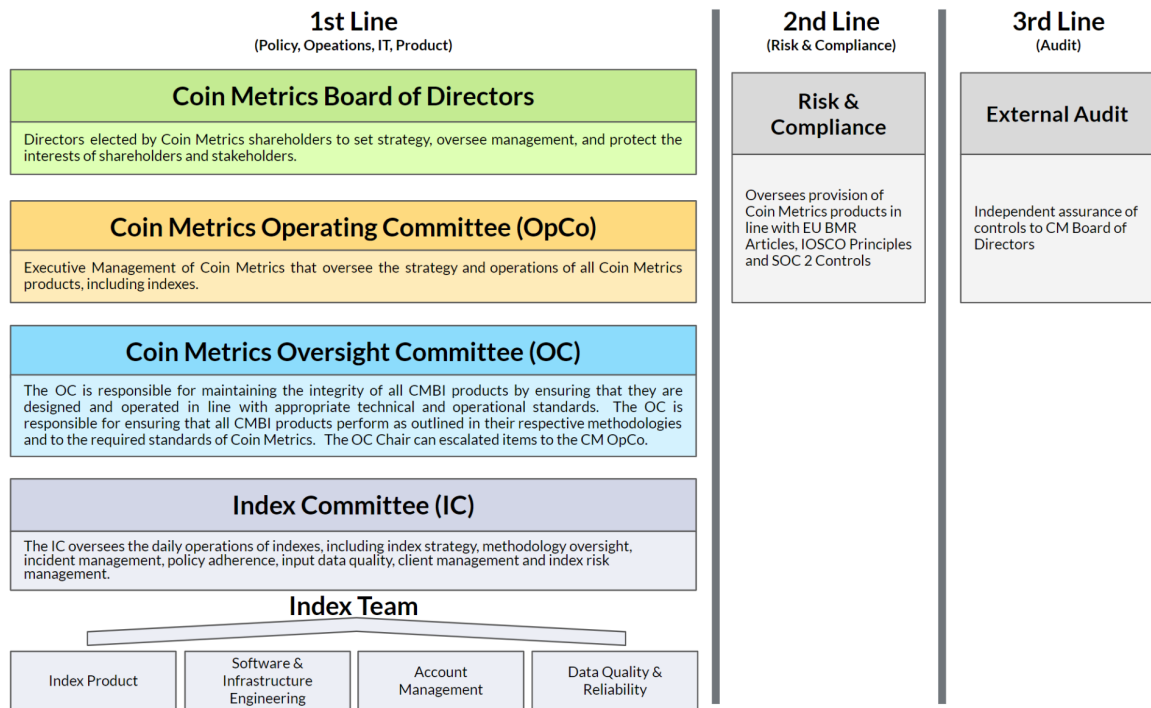
2.1 COMMITTEE FRAMEWORK

Two primary committees provide oversight and governance for the production of crypto asset indexes and benchmark administration for Coin Metrics Bletchley Indexes ("CMBI").

- The Oversight Committee ("OC") is the primary oversight and governance body. It is responsible for maintaining the integrity of all CMBI products by ensuring that they are designed and operated in line with appropriate technical and operational standards. The OC is responsible for ensuring that all CMBI products perform as outlined in their respective methodologies and to the required standards of Coin Metrics.
- The Index Committee ("IC") oversees the daily operations of indexes, including index strategy, methodology oversight, incident management, policy adherence, input data quality, client management and index risk management.

2.2 ORGANIZATION STRUCTURE

Coin Metrics oversees its indexes by employing governance that encompasses product, service and technology. The framework of the organization incorporates three lines of defense risk management and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks, as well as Benchmark Regulations.



3 OVERSIGHT COMMITTEE TERMS OF REFERENCE

3.1 OVERVIEW

The OC is responsible for maintaining the integrity of all CMBI branded products and all products for which CMBI are an integral component by ensuring that these are designed and operated in line with appropriate technical and operational standards.

While the OC maintains independence from the IC and external users of CMBI products, it may primarily rely on reporting provided to perform its responsibilities.

The OC can suggest recommendations for product construction and methodology maintenance, however, it does not have the authority to make specific index methodology content decisions.

At the discretion of the OC, matters can be escalated to the Coin Metrics Operating Committee.

3.2 RESPONSIBILITIES

The key responsibilities of the OC include, but are not limited to, the following:

- Oversee and ensure that the IC adequately performs its responsibilities and maintains the integrity and high standards required while operating CMBI products
- Oversee the execution of CMBI product methodologies
- Oversee any changes to the methodology calculation and authorize or request Coin Metrics to undertake a consultation with external stakeholders prior to any proposed change
- Oversee and approve any proposed termination of CMBI Indexes in production
- Review the CMBI product definitions/purposes and their respective methodologies, suggesting any updates or future considerations to the Index Committee annually
- Assess whether CMBI products adhere to international best practices for financial benchmarks, including the International Organization of Securities Commissions' (IOSCO) Principles for Financial Benchmarks and EU/UK BMR

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- Highlight potential regulatory risks to Coin Metrics that may arise from providing crypto asset indexes as well as being the administrator of crypto asset benchmarks
- Respond to any regulatory or governing body as required
- Review and, if required, provide a response to any formal customer complaints in relation to CMBI products
- Manage conflicts of interest that may arise across CMBI products
- Manage escalated stakeholder and index operational issues from the IC
- Review and approve recommendations for engagement with third parties to utilize CMBI products - for example collection of inputs, publication of CMBI data or use of CMBI data to inform another financial product
- Review and approve recommendations for engagement with third parties whose services are required for the determination of CMBI products - for example external data providers or calculation agents
- Oversee any changes to the benchmark methodology and consult on changes where applicable
- Review Control Framework annually
- Review expert judgment proposed for the evolution of indexes as well as expert judgment exercised in emergency situations
- Review status of whistleblower events raised, until resolution

The OC may request and is authorized to receive detailed information in relation to any CMBI products or internal data source that is required for the calculation of CMBI products. The OC may request this information from any employee of the CMBI team through any medium (e.g. Word Doc, Excel, PPT) and through any channel (e.g. email, slack, in person presentation).

Further, the OC may request internal or commission external audits of relevant CMBI benchmark operation and administration processes.

3.3 MEETINGS

The CMBI Oversight Committee meets quarterly and has the following standing agenda items:

- Review and approve all new CMBI product proposals which includes but is not limited to new indexes, benchmark administration services, calculation agent services and data services
- Approve proposed new products to the CMBI suite and their methodologies, specifically regarding the technical quality and completeness of the methodology, the availability and quality of required input data and the capacity of the Coin Metrics index team to launch and maintain new products
- Approve proposed changes to existing CMBI methodologies
- Periodically review activities related to CMBI products that are undertaken by a third party - for example collection of inputs, publication or external data sources used in the determination of indexes
- Review any technical issues with internal data sources that are integral in the calculation of CMBI products
- Review any operational issues in the previous period with a view to improving operating procedures to mitigate such issues in the future
- Review the Conflicts Register and determine any actions that are required to mitigate or nullify conflicts
- Review any expert judgment (and approve where appropriate)
- Review any formal complaints against CMBI products in the previous period
- Review any Whistleblower complaints

Upon reviewing the agenda, members must disclose any potential conflicts of interest.

All OC meetings are formally minuted and the OC minutes must contain the date, time, agenda, attendees, relevant outstanding issues and decisions made.

All members of the OC are subject to CM non-disclosure policy and may not disclose sensitive information outside of the committee to either internal Coin Metrics employees or external parties.

3.4 REPORTING

Any issues or matters that require escalation are formally raised with the Coin Metrics Operating Committee by the OC Chair and included as part of the weekly Coin Metrics Operating Committee meetings.

3.5 MEMBERSHIP

OC is comprised of at least three internal Coin Metrics employees and additionally can include external members.

- Internal voting members have experience in either capital markets and index operations and / or have deep knowledge of crypto asset markets.
- External voting members are drawn from academia, asset management, consulting and other areas of relevant expertise.
- Representatives of the management body (i.e. Coin Metrics Operating Committee) shall not be members or observers but may be invited to attend specific meetings by the oversight function in presentation/non-voting capacity and are required to identify any conflicts of interest prior to attending the meeting.
- Employees directly involved in the provision of the benchmark that may be members of the oversight function shall have no voting rights.

Oversight Committee Chairperson is responsible for ensuring OC effectiveness and integrity. They preside over the OC meetings, call special meetings when necessary, escalate matters to the CM Operating Committee as appropriate, monitor the performance of the committee, ensure the committee votes as prescribed in the ToR and encourage meeting participation by all members.

Potential OC Internal Members:

Role	Knowledge Base
Head of Research	Crypto Assets
Distinguished Engineer	Index Operations
Head of Quality & Reliability	Index Operations

Head of Data Science and Product, Market Data	Capital Markets, Crypto Assets, Index Operations
Index Product Manager	Index Operations, Capital Markets
Sr. Quantitative Analyst	Index Operations, Capital Markets
Compliance and Risk	Risk Management, Compliance

OC External Membership:

Application Process

Once potential external candidates are identified, the candidate must go through a nomination process:

- candidate submits professional experience in the benchmark space
- candidate submits any of their research and editorial publications.
- Oversight Committee assesses qualifications, and experience of candidate
- Oversight Committee interviews candidates to determine suitability and commitment to the Oversight Committee. During the interview candidates have the opportunity to disclose any conflicts of Interest with CoinMetrics Benchmark Administration.

Due Diligence:

Coinmetrics performs due diligence on the external candidates, including background checks. Candidates are informed they are required to sign CoinMetrics Non-Disclosure agreement if they become a member of the Oversight Committee.

Approval:

Once the Oversight Committee votes to approve the candidate, the new external member will be onboarded.

3.6 QUORUM & VOTING

The Oversight Committee Chairperson or a delegate and at least two other voting members must be present to call a meeting to order.

Decisions will be determined by a simple majority vote, where each voting member only receives one vote.

Members with conflicts must recuse themselves from any vote where a conflict arises.

4 INDEX COMMITTEE TERMS OF REFERENCE

4.1 OVERVIEW

The IC is responsible for ensuring that all CMBI products perform as outlined in their respective methodologies and to the required standards of Coin Metrics. The IC oversees the daily operations and maintenance procedure of indexes, including methodology oversight, daily reporting, policy adherence, input data quality, client management and index and benchmark administration specific risk management.

4.2 RESPONSIBILITIES

The key responsibilities of the Index Committee include, but are not limited to, the following:

- Ownership and editorial responsibility for all CMBI methodologies. This includes reviewing and approving new methodologies and major methodology changes
- Regularly reviewing and providing recommendations to the OC for input data that is integral in the calculation of CMBI products
- Regularly reviewing the performance of third parties that engage with CMBI products for collection of inputs, publication, or where services are provided for determination of CMBI indexes
- Review and approval of the CMBI rebalancing process
- Approve index price restatements that arise from input data issues or calculation engine issues
- Determine the treatment of complex crypto asset specific events such as exchange hacks, protocol failures, and forks
- Review and recommend approval of Index Policies to the OC
- Evaluate, control and mitigate general risks associated with the production of indexes and benchmark administration and where relevant, escalate significant risks to the OC
- Determine the impact of any anticipated regulation changes to CMBI's operations

4.3 MEETINGS

The Index Committee meets monthly and has the following standing agenda items:

- Confirm members of the IC do not have a conflict of interest
- Review indexes in production to ensure they are still achieving their desired goals and outcomes
- Review significant media and distribution opportunities to ensure channels align with Coin Metrics and CMBI principles and branding
- Review significant client opportunities and all branding / co-branding opportunities
- Review client usage of CMBI products
- Review and approve index price restatements that arise from input data issues or calculation engine issues
- Review any significant industry events that may impact the ability for CMBI to conduct business, this may include exchange hacks, litigation against exchanges or specific asset companies / foundations, changes to asset supply schedules, etc.
- Review any formal complaints against CMBI products
- Review foreseeable and recent past cryptoasset corporate events such as forks and airdrops
- Review and assess the impact to any anticipated regulation changes that may impact the operations of CMBI and / or ability for CMBI to provide crypto asset indexes

Upon reviewing the agenda, members must disclose any potential conflicts of interest.

All IC meetings are formally minuted and the IC report must contain the date, time, agenda, attendees, relevant outstanding issues and decisions made.

All members of the IC are subject to CM non-disclosure policy and may not disclose sensitive information outside of the committee to either internal Coin Metrics employees or external parties.

4.4 REPORTING

The Chair of the Index Committee shall report to the Oversight Committee on all matters discussed that may require OC awareness, input or approval. Specifically, all recommendations where action or feedback is required that relates to development of new indexes, changes to methodologies, termination of indexes, client feedback and complaints, use of expert judgment and corporate actions shall be reported to the Oversight Committee.

4.5 MEMBERSHIP

Potential IC Internal Members:

Role	Knowledge Base
Director of Research	Crypto Assets
Market Data Software Engineer	Index Operations
Chief Operating Officer	Capital Markets, Index Operations, Crypto Assets, Strategy
Network Data Product Manager	Crypto Assets
Index Product Manager	Index Operations, Capital Markets
Sr. Quantitative Analyst	Index Operations, Capital Markets

4.6 QUORUM & VOTING

The Index Committee Chairperson or a delegate and at least two other voting members must be present to call a meeting to order.

Decisions will be determined by a simple majority vote, where each voting member only receives one vote.

Members with conflicts must recuse themselves from any vote where a conflict arises.