



## Statement of Compliance with the IOSCO Principles for Financial Benchmarks

# 1 INTRODUCTION

## 1.1 Overview

In July 2013 IOSCO issued its final report on the Principles for Financial Benchmarks (the IOSCO Principles) setting the standards to which organizations that administer financial benchmarks (as defined in the IOSCO Principles) should adhere. For each benchmark, the IOSCO Principles cover the governance arrangements intended to ensure the benchmark's integrity, the quality of its design and methodology, and the accountability of the benchmark administrator. Benchmark administrators were requested to disclose publicly the extent of their compliance with the IOSCO Principles on or before 17 July 2014 and annually thereafter.

## 1.2 Structure of this Statement

This statement contains the March 2018 declaration of LIMEYARD Ltd (hereinafter referred to as LIMEYARD) of its compliance with the IOSCO Principles for the index families set out in Section 3 of this statement.

Section 2 of this statement provides an overview of LIMEYARD's organization and business. Section 3 provides a summary of the index families administered by LIMEYARD. Section 5 describes the governance and oversight LIMEYARD has in place to ensure the integrity of its benchmarks. Section 5 contains the statements provided by the board of directors of LIMEYARD. Section 6 contains LIMEYARD's responses against each of the IOSCO Principles.

## 1.3 LIMEYARD's own compliance with the EU Benchmark Regulation

The European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the EU BMR) will apply from 1 January 2018.

The EU BMR introduces a common framework to ensure the accuracy and integrity of indices used as benchmarks in the European Union. The EU BMR applies to the:

- Provision of benchmarks
- Contribution of input data to a benchmark
- Use of a benchmark within the European Union

LIMEYARD fully supports the focus of the EU BMR and has been deeply involved in contributing to the formation of the EU BMR. LIMEYARD is committed to ensuring compliance of its relevant benchmarks with the EU BMR.

## 2 COMPANY INFORMATION

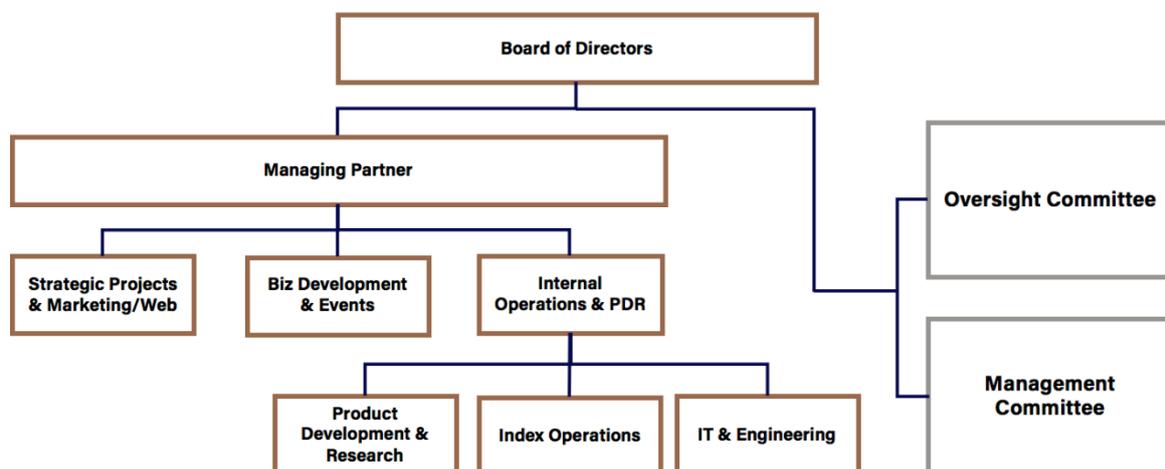
### 2.1 Overview

LIMEYARD is a Swiss based index provider founded in July 2016, with offices in Zurich, Paris, New York and Vienna. Led by a team of six industry experts, it focuses on both proprietary and non-proprietary indices. LIMEYARD is combining cutting edge index innovation with a state of the art cloud-based technology. Its fast-growing family of global indices are rule-based, compliant, traditional and smart-beta investable solutions for institutions on the sell side and on the buy side. The tailor-made index offering covers the full value chain from index development to dissemination, end-of-day and real time. Its client centric focus approach aims to provide top quality, short time-to-market, agile and flexible solutions at the best price. LIMEYARD has entered into a joint venture with Wiener Börse AG in February 2018.

### 2.2 Product Range

Based on a unique cloud-based infrastructure offering a fast and secure environment, the index provider designs both white-labelled and LIMEYARD branded indices, end-of-day as well as real-time. The index offering targets financial institutions using indices as underlyings for financial products such as certificates, warrants, bonds, ETFs (exchange-traded funds) or standardized derivatives like futures and options.

### 2.3 Organization structure



### **3 INDEX FAMILIES**

The LIMEYARD indices essentially cover the developed equity markets in Europe and the United States. The indices are designed to provide investors with a broad representation of the two markets. The indices weighting is based on free-float market capitalization.

#### **LIMEYARD USA Index**

The LIMEYARD USA Index is designed to measure the performance of the large and mid-cap segments of the US market. The LIMEYARD USA Index covers approximately 85% of the total free-float adjusted market capitalization of the US market. Index constituents are selected based on the total market capitalization of each component. Then, index constituents are weighted according to their respective free-float market capitalization. The LIMEYARD USA Index contains highly liquid stocks.

#### **LIMEYARD Europe Index**

The LIMEYARD Europe Index is designed to measure the performance of the large and midcap segments across 17 Developed Market (DM) countries in Europe. The LIMEYARD Europe Index includes exchange-listed companies from the following 17 European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The LIMEYARD Europe Index covers approximately 85% of the total free-float adjusted market capitalization of the broad European market. Index constituents are selected based on the total market capitalization of each component. Then, index constituents are weighted according to their respective free-float market capitalization. The LIMEYARD Europe Index contains highly liquid stocks.

#### **LIMEYARD Europe TMI Index**

The LIMEYARD Europe TMI Index is designed to measure the performance of the large and mid-cap segments across 17 Developed Market (DM) countries in Europe. The LIMEYARD Europe TMI Index includes exchange-listed companies from the following 17 European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The LIMEYARD Europe TMI Index covers approximately 90% of the total free-float adjusted market capitalization of the broad European market. Index constituents are selected based on the total market capitalization of each component. Then, index constituents are weighted according to their respective free-float market capitalization. The LIMEYARD Europe TMI Index contains highly liquid stocks.

#### **LIMEYARD USA TMI Index**

The LIMEYARD USA Total Market Index is designed to measure the performance of the large and mid-cap segments of the US market. The index covers approximately 90% of the total free-float adjusted market capitalization of the US market. Index constituents are selected based on the total market capitalization of each component. Then, index constituents are weighted according to their respective free-float market capitalization. The LIMEYARD USA Total Market Index contains highly liquid stocks.

#### **LIMEYARD Swiss Market Benchmark**

The LIMEYARD Swiss Market Benchmark is designed to measure the performance of the large- and mid-cap segments of the Swiss market. The LIMEYARD Swiss Market Benchmark comprises the 60 largest and most liquid stocks in the Swiss equity market. The index covers more than 92% of the free-float-adjusted market capitalization of the Swiss equity market. Index constituents are selected based on the free-float market capitalization of each component. The index constituents are weighted

according to their respective free-float market capitalization. The LIMEYARD Swiss Market Benchmark contains highly liquid stocks. The LIMEYARD Swiss Market Benchmark applies an 18% cap factor on individual index components.

#### **LIMEYARD Swiss Blue Chip Index**

The LIMEYARD Swiss Blue Chip Index is designed to measure the performance of the largest caps of the Swiss market. The LIMEYARD Swiss Blue Chip Index comprises 30 of the largest stocks from the LIMEYARD Swiss universe. The index covers more than 85% of the free-float-adjusted market capitalization of the Swiss equity market. Index constituents are selected based on the free-float market capitalization of each component. Then the index constituents are weighted according to their respective free-float market capitalization. The LIMEYARD Swiss Blue Chip Index contains highly liquid stocks. The LIMEYARD Swiss Blue Chip Index applies an 18% cap factor on individual index components.

#### **LIMEYARD Swiss Low Risk Factor 30**

The LIMEYARD Low Risk Factor 30 provides exposure to the thirty least volatile components of the LIMEYARD Swiss market universe. The LIMEYARD Swiss Low Risk Factor is a fixed-component index with 30 constituents that represents the least volatile companies from the LIMEYARD Swiss market universe. The rationale behind the LIMEYARD Swiss Low Risk Factor is based on the assumption that the stocks that have been the least volatile for the past 12 months will continue to record below-average volatility for at least the next quarter. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Low Risk Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Low Risk Factor 60**

The LIMEYARD Low Risk Factor 60 provides exposure to the sixty least volatile components of the LIMEYARD Swiss market universe. The LIMEYARD Swiss Low Risk Factor is a fixed-component index with 60 constituents that represents the least volatile companies from the LIMEYARD Swiss market universe. The rationale behind the LIMEYARD Swiss Low Risk Factor is based on the assumption that the stocks that have been the least volatile for the past 12 months will continue to record below-average volatility for at least the next quarter. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Low Risk Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Momentum Factor 30**

The LIMEYARD Swiss Momentum Factor 30 is designed to reflect the systematic elements of an equity momentum investment strategy. The LIMEYARD Swiss Momentum Factor is a fixed-component index with 30 constituents that represent companies from the LIMEYARD Swiss market universe, with the aim to reflect the performance of an equity momentum strategy. High-momentum stocks tend to show a continuation of their superior price performance pattern over the near term, typically over a six- to twelve-month period. The focus on both a six- and twelve-month time horizon ensures consistency in capturing a momentum effect among index constituents by picking those securities that show a continuation in the performance trend and skipping those securities that experience a reversion in performance. The LIMEYARD Swiss Momentum Factor computes a Momentum Score for each security calculated by combining Z-Scores of four variables. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe

with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Momentum Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Momentum Factor 60**

The LIMEYARD Swiss Momentum Factor 30 is designed to reflect the systematic elements of an equity momentum investment strategy. The LIMEYARD Swiss Momentum Factor is a fixed-component index with 60 constituents that represent companies from the LIMEYARD Swiss market universe, with the aim to reflect the performance of an equity momentum strategy. High-momentum stocks tend to show a continuation of their superior price performance pattern over the near term, typically over a six- to twelve-month period. The focus on both a six- and twelve-month time horizon ensures consistency in capturing a momentum effect among index constituents by picking those securities that show a continuation in the performance trend and skipping those securities that experience a reversion in performance. The LIMEYARD Swiss Momentum Factor computes a Momentum Score for each security calculated by combining Z-Scores of four variables. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Momentum Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Quality Factor 30**

The LIMEYARD Swiss Quality Factor 30 is designed to weigh the top thirty Swiss-domiciled companies with "high quality" potential, with the aim to reflect the performance of a quality growth strategy. The LIMEYARD Swiss Quality Factor is derived from the LIMEYARD Swiss market universe and is designed to weigh Swiss-domiciled companies with "high quality" potential. The index aims to capture the performance of high-quality Swiss companies, embodying high profitability, low leverage and high financial stability, and sustainable growth potential. The LIMEYARD Swiss Quality Factor in particular is a fixed-component index with 30 constituents that represents companies from the LIMEYARD Swiss market universe with a solid quality growth strategy. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Quality Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Quality Factor 60**

The LIMEYARD Swiss Quality Factor 60 is designed to weigh the top sixty Swiss-domiciled companies with "high quality" potential, with the aim to reflect the performance of a quality growth strategy. The LIMEYARD Swiss Quality Factor is derived from the LIMEYARD Swiss market universe and is designed to weigh Swiss-domiciled companies with "high quality" potential. The index aims to capture the performance of high-quality Swiss companies, embodying high profitability, low leverage and high financial stability, and sustainable growth potential. The LIMEYARD Swiss Quality Factor in particular is a fixed-component index with 60 constituents that represents companies from the LIMEYARD Swiss market universe with a solid quality growth strategy. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Quality Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Value Factor 30**

The LIMEYARD Swiss Value Factor 30 captures excess returns to stocks that have low prices relative to their fundamental value. The LIMEYARD Swiss Value Factor is a fixed-component index with 30 constituents that represents companies from the LIMEYARD Swiss market universe with a higher value characteristic. The LIMEYARD Swiss Value Factor, designed to reflect the systematic elements

of a value investment style or strategy, is calculated by combining Z-Scores of three fundamental variables, namely book to price (BP), the free cash flow to price, and the revenue price. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Value Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Swiss Value Factor 60**

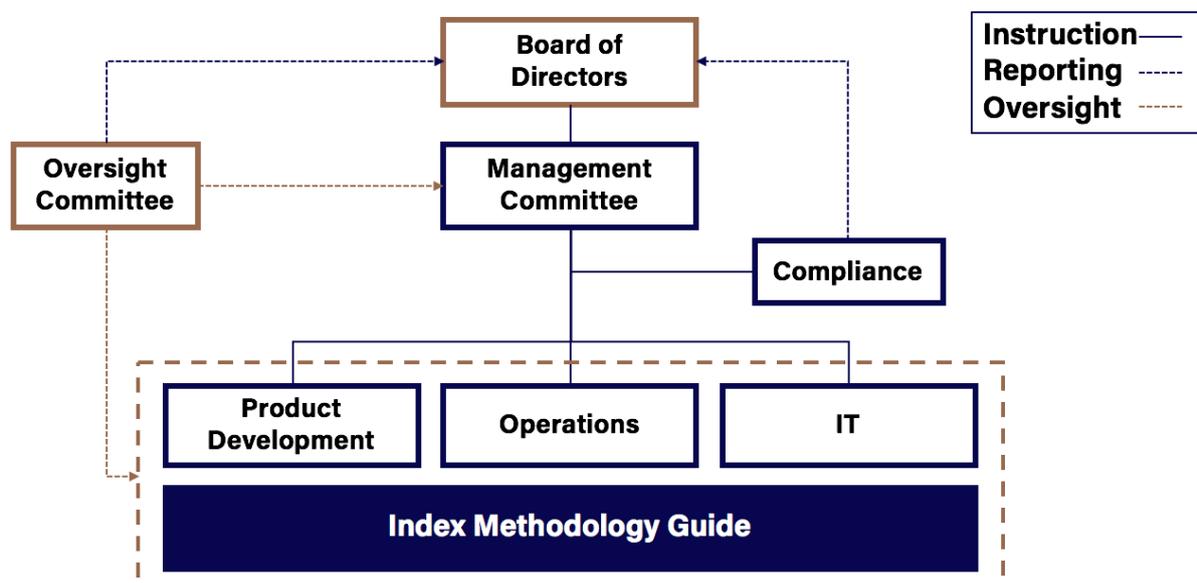
The LIMEYARD Swiss Value Factor 60 captures excess returns to stocks that have low prices relative to their fundamental value. The LIMEYARD Swiss Value Factor is a fixed-component index with 60 constituents that represents companies from the LIMEYARD Swiss market universe with a higher value characteristic. The LIMEYARD Swiss Value Factor, designed to reflect the systematic elements of a value investment style or strategy, is calculated by combining Z-Scores of three fundamental variables, namely book to price (BP), the free cash flow to price, and the revenue price. The applicable universe includes all the existing constituents of the underlying LIMEYARD Swiss universe with a free-float market cap greater than or equal to 100 million Swiss francs. The LIMEYARD Swiss Value Factor applies a 10%-cap factor on individual index components.

#### **LIMEYARD Absolute Alpha Switzerland**

The LIMEYARD Absolute Alpha Switzerland implements a systematic long/short strategy that combines four selected LIMEYARD factor-weighted indices, with the aim to extract risk premia and deliver returns in excess of the market portfolio. The LIMEYARD Absolute Alpha Switzerland is a fixed-component index within a quarterly rebalancing period that aims to build an outperforming model portfolio (in relative terms, against the market portfolio given by the LIMEYARD Swiss Market Benchmark). The LIMEYARD Absolute Alpha Switzerland implements a long/short strategy that goes long the factor index component shorts the traditional market-cap benchmark. The LIMEYARD Absolute Alpha Switzerland implements a portfolio construction methodology that aims at creating a portfolio strategy based on a combination of non-cap-weighted LIMEYARD factor-selected indices. Based on a stochastic portfolio theory (SPT), the goal is to extract risk premiums from each of the four factor indices selected in the analysis (the LIMEYARD Low Risk Factor, the LIMEYARD Momentum Factor, the LIMEYARD Quality Factor, and the LIMEYARD Value Factor). At the same time, the LIMEYARD Absolute Alpha Switzerland mitigates factor cyclicity by adopting a systematic long-short approach and an optimized portfolio in allocating across the various factors. The LIMEYARD Absolute Alpha Switzerland delivers solid outperformance in the medium- and long-term investment horizons. At the same time, while the 12% volatility targeting protects the portfolio against market drawdowns, a dynamic zero-beta hedging strategy insulates the portfolio from systematic risk disturbances.

## 4 INDEX GOVERNANCE

### 4.1 Governance Structure



### 4.2 Responsibilities of the Governance Bodies

#	Responsibility	Oversight Committee	Management Committee
a	Assessment of the benchmark's definition and methodology	Review and oversee assessment	Perform assessment
b	Changes to the benchmark methodology	Review assessment, request consultation, if necessary, and oversee implementation of methodology changes	Assess need for and implementation of changes
c	Assessment of the control framework, the management and operation of the benchmark, and, where the benchmark is based on input data from contributors, the code of conduct	Review assessment and oversee changes in the control framework	Perform assessment and implement changes
d	Reviewing and approving procedures for cessation of the benchmark	Review assessment, request consultation, if necessary, and approve procedures	Decide on need for cessation, define procedures, and execute cessation
e	Monitoring and assessment of third party involved in the provision of the benchmark, including calculation or dissemination agents	Review assessment and oversee changes in third parties	Monitor and assess third party
f	Assessment of internal and external audits or reviews, and monitoring the implementation of identified remedial actions	Assessment of audit results, review measure and oversee their implementation	Define and implement measures
g	If the benchmark is based on input data from contributors, monitoring the input data and contributors and the actions of the administrator in challenging or validating contributions of input data	Review and oversight of controls performed by Management	Monitoring and assessing of contributor input data
h	If the benchmark is based on input data from contributors, taking effective measures in respect of any breaches of the code of conduct	Review of defined measures and oversight of their implementation	Definition and implementation of measures to address breaches
i	Reporting to the relevant competent authorities any misconduct by contributors, where the benchmark is based on input data from contributors, or administrators, of which the oversight function becomes aware, and any anomalous or suspicious input data	Request reporting to competent authorities	Monitoring of contributors and data

#	Responsibility	Oversight Committee	Management Committee
j	Management and operation of the benchmark	Oversee benchmark management and operations	Implementation of management and operation of benchmarks
k	Use of exercise of expert judgment by the administrator and ensuring published methodologies have been followed	Oversee use of expert judgement	Review and decide on the need for expert judgment / use of discretion
l	Monitoring of risks and issues in the benchmark provision	Review risk and issue assessment and oversee measure to address risks and issues	Assessment of risks and issues
m	Assessment of calculation errors	Review and oversee treatment of calculation error	Assess a calculation error and, if necessary, define measures to correct it
n	Complaints management	Review and oversee management of complaints	Review complaints and define measures to address them

**Note:** Responsibility (a) to (i) are derived from Regulation (EU) 2016/2011 ("EU Benchmark Regulation")  
Responsibility (j) to (l) are derived from the IOSCO Principles for Financial Benchmarks FR07/13 ("IOSCO Principles")  
Responsibility (m) and (n) are not based on a regulation

## 5 LIMEYARD EXECUTIVE STATEMENT

As directors of LIMEYARD we are and shall be responsible for ensuring that LIMEYARD complies with the Principles for Financial Benchmarks published by the International Organization of Securities Commissions dated July 2013 ("IOSCO Principles"). This includes responsibility for designing, implementing, and monitoring compliance with policies and procedures that achieve compliance with the IOSCO Principles.

We are also responsible for preparing a Statement of Compliance for LIMEYARD that is free from misstatement, whether because of fraud or error. It also includes selecting the criteria against which to measure the fair statement of the Statement of Compliance.

We confirm that LIMEYARD has designed and implemented specific activities to comply with the IOSCO Principles for all LIMEYARD benchmarks.

We have prepared the accompanying description in Section 5 to set out the details of the IOSCO Principles, together with the related activities in operation as at 30 June 2017 so as to meet the requirement in the IOSCO Principles that benchmark administrators should publicly disclose the extent of their compliance with the IOSCO Principles annually and that, if implementation in any way deviates from the IOSCO Principles, the administrators should explain why they believe it meets the objectives and functions of the IOSCO Principles, including the extent to which they are relying on a proportionate view of the IOSCO Principles (as that concept is described within the IOSCO Principles).

We confirm that, to the best of our knowledge and belief, the accompanying description in Section 5 is fairly stated in that it presents the activities undertaken by LIMEYARD to achieve compliance with the IOSCO Principles. The criteria we used in making this statement were that the accompanying description:

- a) Presents how LIMEYARD's policies and processes in respect of its compliance with the IOSCO Principles were designed and implemented as appropriate as at 30 December 2017
- b) Does not omit or distort information relevant to the scope of LIMEYARD's policies and processes being described as at 30 December 2017, while acknowledging that the description is prepared to meet the common needs of a broad range of users and may not therefore include every aspect of LIMEYARD's policies and processes that individual users may consider important in their own particular environment.

Yours faithfully,



Patrick Valovic, Managing Partner

Zurich, 6 March 2018

## 6 IOSCO PRINCIPLES AND LIMEYARD RESPONSES

LIMEYARD has established a documented governance framework with processes, procedures, and controls in place to oversee all stages of the provision of all LIMEYARD benchmarks. In line with the principle of proportionality permissible under the IOSCO Principles and where feasible under consideration of the EU Benchmark Regulation, LIMEYARD has implemented the IOSCO Principles. The following summarizes where LIMEYARD considers it complies in full with the following IOSCO Principles, according to the rationale set out against each individual Principle in this section.

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
<p><b>1. Overall Responsibility of the Administrator</b></p>	<p>The Administrator should retain primary responsibility for all aspects of the Benchmark determination process. For example, this includes:</p> <ul style="list-style-type: none"> <li>a) Development: The definition of the Benchmark and Benchmark Methodology;</li> <li>b) Determination and Dissemination: Accurate and timely compilation and publication and distribution of the Benchmark;</li> <li>c) Operation: Ensuring appropriate transparency over significant decisions affecting the compilation of the Benchmark and any related determination process, including contingency measures in the event of absence of or insufficient inputs, market stress or disruption, failure of critical infrastructure, or other relevant factors; and</li> <li>d) Governance: Establishing credible and transparent governance, oversight and accountability procedures for the Benchmark determination process, including an identifiable oversight function accountable for the development, issuance and operation of the Benchmark.</li> </ul>	<p>LIMEYARD considers that it complies with Principle 1 of the IOSCO Principles for Financial Benchmarks.</p> <p>LIMEYARD assumes the overall responsibility for all aspects of the provision of a benchmark (incl. the definition of a benchmark and benchmark methodology) and accompanying documentation, policies and procedures. As such LIMEYARD maintains the responsibility for the development and maintenance of a benchmark and its methodology. Any documentation, policies and procedures are reviewed and updated on a regular basis by LIMEYARD's Oversight Committee.</p> <p>LIMEYARD's dedicated benchmark governance structure with its Oversight Committee oversees and is accountable for the provision of a benchmark.</p> <p>Through its robust processes and documented control framework, LIMEYARD ensures that benchmarks are determined and disseminated accurately and in a timely manner also in situations of market stress or disruption or in the absence of or insufficient inputs. The responsibility for the dissemination of its benchmarks</p>

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
		<p>to clients and intermediaries (e.g., data vendors) is defined within LIMEYARD's contractual arrangements.</p> <p>LIMEYARD's business continuity plan and infrastructure with redundant systems in place allows it to continue operating the provision of a benchmark even in situations of failure of the primary infrastructure.</p> <p>LIMEYARD's Oversight Committee reviews all relevant aspects of the provision of a benchmark on a periodic basis and least annually.</p>
<p><b>2. Oversight of Third Parties</b></p>	<p>Where activities relating to the Benchmark determination process are undertaken by third parties - for example collection of inputs, publication or where a third-party acts as Calculation Agent - the Administrator should maintain appropriate oversight of such third parties. The Administrator (and its oversight function) should consider adopting policies and procedures that:</p> <ul style="list-style-type: none"> <li>a) Clearly define and substantiate through appropriate written arrangements the roles and obligations of third parties who participate in the Benchmark determination process, as well as the standards the Administrator expects these third parties to comply with;</li> <li>b) Monitor third parties' compliance with the standards set out by the Administrator;</li> <li>c) Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of third parties who participate in the Benchmark determination process; and</li> </ul>	<p>LIMEYARD considers that it complies with Principle 2 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor third parties. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Outsourcing Policy.</p> <p>LIMEYARD has outsourced activities in the determination of a benchmark to third parties. Such activities are governed by LIMEYARD's Outsourcing Policy.</p> <p>LIMEYARD distinguishes between the outsourcing of activities that form part of the benchmark provision and outsourcing of activities that have no direct link to the benchmark provision. The following activities are a part of the benchmark provision: (a) administering the arrangements for determining a benchmark; (b) collecting, analyzing or processing input data for the purpose of determining a benchmark; and (c) determining a benchmark</p>

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
	<p>d) Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process.</p> <p>e) This Principle does not apply in relation to a third party from whom an Administrator sources data if that third party is a Regulated Market or Exchange.</p>	<p>through the application of a formula or other method of calculation or by an assessment of input data provided for that purpose.</p> <p>Before any business area of LIMEYARD outsources a function or activity, it must define and document the goals and requirements of outsourcing and must ensure and monitor that the outsourced activity complies with the conditions and requirements of the LIMEYARD Outsourcing Policy.</p> <p>LIMEYARD will only outsource activities that it is able to properly monitor and that will not impair materially the control over the outsourced activity. In any outsourcing, the following conditions must be fulfilled:</p> <ol style="list-style-type: none"> <li>1. the third-party to which LIMEYARD has outsourced an activity („the Service Provider“) must have the ability, capacity, and any authorization required by law, to perform the outsourced functions, services or activities reliably and professionally;</li> <li>2. LIMEYARD must be able to make available to the relevant competent authorities the identity and the tasks of the Service Provider;</li> <li>3. the responsible business area of LIMEYARD takes appropriate action if it appears that the Service Provider may not be carrying out the outsourced functions, services or activities effectively and in compliance with applicable law and regulatory requirements;</li> <li>4. the responsible business area of LIMEYARD retains the necessary expertise to supervise the outsourced functions,</li> </ol>

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
		<p>services or activities effectively and to manage the risks associated with the outsourcing;</p> <ol style="list-style-type: none"> <li>5. the Service Provider must disclose to LIMEYARD any development that may have a material impact on its ability to carry out the outsourced functions, services or activities effectively and in compliance with applicable law and regulatory requirements;</li> <li>6. the Service Provider must cooperate with the relevant competent authority regarding the outsourced functions, services or activities, and must guarantee that LIMEYARD and the relevant competent authority have effective access to data related to the outsourced functions, services or activities, as well as to the business premises of the Service Provider, and the relevant competent authority is able to exercise those rights of access;</li> <li>7. LIMEYARD must be able to terminate the outsourcing arrangements where necessary;</li> <li>8. the responsible business area of LIMEYARD must take reasonable steps, including contingency plans, to avoid undue operational risk.</li> </ol> <p>LIMEYARD will only consider those Service Providers that are able to guarantee a secure and reliable service in the long term. Any outsourcing arrangement requires a signed contract between LIMEYARD and a Service Provider. Any outsourcing activity will be recorded in LIMEYARD's Outsourcing Inventory. In order to monitor the Service Provider, LIMEYARD has established dedicated controls that form an integral part of its risk-based</p>

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
		<p>controls framework. The results of the ongoing monitoring and periodic evaluation of the services provided by Service Provider will be documented. On an annual basis, LIMEYARD will formally evaluate the services of a Service Provider and will decide whether the relationship with the Service Provider will be continued.</p>
<p><b>3. Conflicts of Interest</b></p>	<p>To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate. Administrators should disclose any material conflicts of interest to their users and any relevant Regulatory Authority, if any.</p> <p>The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses and should seek to ensure:</p> <ul style="list-style-type: none"> <li>a) Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;</li> <li>b) Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;</li> <li>c) Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;</li> </ul>	<p>LIMEYARD considers that it complies with Principle 3 of the IOSCO Principles for Financial Benchmarks.</p> <p>LIMEYARD has established a comprehensive conflicts of interest framework consisting of</p> <ul style="list-style-type: none"> <li>1) a Conflicts of Interest Policy,</li> <li>2) a Conflicts of Interest Register that records all actual and potential conflicts of interests and how they are being addressed and mitigated;</li> <li>3) an annual self-assessment by employees for conflicts of interest;</li> <li>4) an organizational structure, segregation of duties, and supervisory arrangements in place that adequately mitigate conflicts of interest;</li> <li>5) mandatory training of all employees;</li> <li>6) confidentiality arrangements and knowledge sharing on a need to know basis;</li> <li>7) remuneration policies and agreements that are not linked to levels of LIMEYARD benchmarks; and</li> </ul>

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
	<p>d) Adequate supervision and sign-off by authorized or qualified employees prior to releasing Benchmark determinations;</p> <p>e) The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject to the disclosure obligations of the Administrator;</p> <p>f) Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and</p> <p>g) Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivized by the levels of the Benchmark.</p> <p>An Administrator's conflict of interest framework should seek to mitigate existing or potential conflicts created by its ownership structure or control, or due to other interests the Administrator's staff or wider group may have in relation to Benchmark determinations.</p>	<p>8) related internal controls as an integral part of LIMEYARD's control framework.</p> <p>All elements of LIMEYARD's conflicts of interest framework are subject to an annual review by LIMEYARD's Management Committee and its Oversight Committee.</p> <p>Any Service Provider of LIMEYARD are contractually obligated to disclose any potential or actual conflicts of interest to LIMEYARD. The Compliance Officer of LIMEYARD is responsible to assess any actual or potential conflicts of interest and whether suitable measures have been identified to address them. In case a conflict of interest cannot sufficiently be addressed, LIMEYARD will not engage in activities impacted by the conflict of interest or engage a conflicted Service Provider.</p> <p>LIMEYARD has not identified any conflicts of interest that would materially impact the provision of any LIMEYARD benchmark.</p>

IOSCO PRINCIPLE	REQUIREMENT	LIMEYARD'S SELF-ASSESSMENT
<p><b>4. Control framework</b></p>	<p>An Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark. The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs. The control framework should be documented and available to relevant Regulatory Authorities, if any. A summary of its main features should be Published or Made Available to Stakeholders.</p> <p>This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas:</p> <ul style="list-style-type: none"> <li>a) Conflicts of interest in line with Principle 3 on conflicts of interests;</li> <li>b) Integrity and quality of Benchmark determination: <ul style="list-style-type: none"> <li>i. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with principles 6 to 15 on the quality of the Benchmark and Methodology;</li> <li>ii. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources;</li> <li>iii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19; and</li> <li>iv. Providing robust infrastructure, policies and procedures for the management of risk, including operational risk.</li> </ul> </li> </ul>	<p>LIMEYARD considers that it complies with Principle 4 of the IOSCO Principles for Financial Benchmarks.</p> <p>LIMEYARD has implemented a comprehensive risk-based control framework, which is supported by underlying procedures and documents (e.g., policies and procedures, controls documentation). The control framework considers potential risks related to the provision of Benchmarks and the respective controls that LIMEYARD has implemented in the following areas to support their management:</p> <ol style="list-style-type: none"> <li>1) benchmark and benchmark methodology development, changes, and cessation;</li> <li>2) administration of the arrangements for determining a benchmark;</li> <li>3) collection, analysis, review and processing input data and corporate actions for the purpose of determining a benchmark;</li> <li>4) determination and monitoring of a benchmark;</li> <li>5) benchmark dissemination;</li> <li>6) business contingency and disaster recovery plans;</li> <li>7) contingency procedures in the event of a disruption to the process of the provision of the benchmark;</li> <li>8) selection and monitoring of service partner;</li> <li>9) employee selection, training and evaluation; and</li> <li>10) conflicts of interest.</li> </ol> <p>An integral part of LIMEYARD's control framework are LIMEYARD's whistleblowing and complaints procedures as well</p>

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	<p>c) Whistleblowing mechanism: Administrators should establish an effective whistleblowing mechanism to facilitate early awareness of any potential misconduct or irregularities that may arise. This mechanism should allow for external reporting of such cases where appropriate.</p> <p>d) Expertise:</p> <ul style="list-style-type: none"> <li>i. Ensuring Benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence; and</li> <li>ii. Staff training, including ethics and conflicts of interest training, and continuity and succession planning for personnel.</li> </ul>	<p>as IT controls (incl. rights management, data security, and change management).</p> <p>LIMEYARD's internal control framework is supported by its organizational structure and arrangements such as segregation of reporting lines and access to certain information on a need to know basis.</p> <p>The level of maturity and appropriateness of LIMEYARD's control framework is reviewed and approved by LIMEYARD's Management Committee and its Oversight Committee on an annually basis.</p> <p>LIMEYARD does not provide benchmarks that are based on submissions or contributions.</p>
<p><b>5. Internal Oversight</b></p>	<p>Administrators should establish an oversight function to review and provide challenge on all aspects of the Benchmark determination process. This should include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.</p> <p>The oversight function should be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.</p>	<p>LIMEYARD considers that it complies with Principle 5 of the IOSCO Principles for Financial Benchmarks.</p> <p>LIMEYARD has established a lean and effective governance structure to oversee the firm's operations and especially the provision of a benchmark. The governance structure forms an integral part of LIMEYARD's internal control framework. It consists of the following governance bodies:</p> <ol style="list-style-type: none"> <li>1) Board of Directors;</li> <li>2) Management Committee; and</li> <li>3) Oversight Committee.</li> </ol> <p>The Oversight Committee is responsible for the oversight of the benchmark provision. It reviews and provides challenge on all</p>

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	<p>An Administrator should develop and maintain robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities, if any. The main features of the procedures should be Made Available to Stakeholders. These procedures should include:</p> <ul style="list-style-type: none"> <li>a) The terms of reference of the oversight function;</li> <li>b) Criteria to select members of the oversight function;</li> <li>c) The summary details of membership of any committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of committee members.</li> </ul> <p>The responsibilities of the oversight function include:</p> <ul style="list-style-type: none"> <li>a) Oversight of the Benchmark design: <ul style="list-style-type: none"> <li>i. Periodic review of the definition of the Benchmark and its Methodology;</li> <li>ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);</li> <li>iii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorizing or requesting the Administrator to undertake a consultation with Stakeholders where known</li> </ul> </li> </ul>	<p>aspects of the benchmark management and operations, ensure compliance with benchmark published methodologies, monitor risks and issues in the benchmark provision, assess benchmark calculation errors, review and oversee the management of complaints, and provide advice and challenge to the Management Committee.</p> <p>In particular, the Oversight Committee has the following responsibilities:</p> <ul style="list-style-type: none"> <li>1) review and oversee assessment of the benchmark's definition and methodology at least annually;</li> <li>2) review assessment, request consultation, if necessary, and oversee implementation of methodology changes;</li> <li>3) review assessment of the control framework, the management and operation of the benchmark, and, where the benchmark is based on input data from contributors, the code of conduct;</li> <li>4) review assessment, request consultation, if necessary, and approve procedures for cessation of the benchmark;</li> <li>5) review assessment and oversee changes of third party involved in the provision of the benchmark, including calculation or dissemination agents;</li> <li>6) assessment of internal and external audits or reviews, and oversee the implementation of identified remedial actions;</li> <li>7) review and oversight of controls performed by Management Committee on input data from contributors;</li> </ul>

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	<p>or its Subscribers on such changes as per Principle 12; and</p> <p>iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation.</p> <p>b) Oversight of the integrity of Benchmark determination and control framework:</p> <p>i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;</p> <p>ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and</p> <p>iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.</p>	<p>8) review of defined measures in respect to any breaches of the code of conduct for input data contributors and oversight of their implementation;</p> <p>9) request reporting to the relevant competent authorities any misconduct by contributors, where the benchmark is based on input data from contributors, or administrators, of which the oversight function becomes aware, and any anomalous or suspicious input data;</p> <p>10) review of Management Committee's proposal on how to address data quality issues (e.g., change in input data provider);</p> <p>11) overseeing management and operation of the benchmark;</p> <p>12) overseeing the use of exercise of Expert Judgment by the Administrator and ensuring published methodologies have been followed;</p> <p>13) review risk and issue assessment in the benchmark provision;</p> <p>14) review and oversee treatment of calculation error; and</p> <p>15) review and oversee management of complaints.</p> <p>In addition to the roles and responsibilities, the terms of reference of the LIMEYARD Oversight Committee describes the meeting frequency, composition (incl. requirements on expertise), and quorum rules.</p> <p>LIMEYARD does not provide benchmarks that are based on submissions or contributions.</p>

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<p><b>6. Benchmark Design</b></p>	<p>The design of the Benchmark should seek to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.</p> <p>Benchmark design should take into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest:</p> <ul style="list-style-type: none"> <li>a) Adequacy of the sample used to represent the Interest;</li> <li>b) Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);</li> <li>c) Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;</li> <li>d) The distribution of trading among Market Participants (market concentration);</li> <li>e) Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).</li> </ul>	<p>LIMEYARD considers that it complies with Principle 6 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the benchmark design process. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Benchmark Design policy.</p> <p>The development of new indices is integrated in LIMEYARD's control framework.</p> <p>The design of indices administered and/or developed by LIMEYARD must result in a reliable and comprehensive representation of the economic realities of the interest that the index seeks to measure and eliminate factors that could result in a distortion of the index or value of the index. In this respect, all indices developed by LIMEYARD must have a clear statement of the interest they intend to represent.</p> <p>For new indices, the methodology must be designed in a way to ideally achieve synergies in terms of data, processes and procedures. Depending on the underlying interest of the index, for whom and which target group the index is designed, the methodology should also follow certain quality aspects, e.g. diversification of the index composition or restrictions on maximum weightings.</p> <p>In principle, any LIMEYARD benchmark methodology must fulfil the following criteria. The methodology must</p> <ul style="list-style-type: none"> <li>a) be robust and reliable;</li> </ul>

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		<ul style="list-style-type: none"> <li>b) be compliant with LIMEYARD's index principles as stated in the LIMEYARD's Index Methodology Guide</li> <li>c) have clear rules identifying how and when discretion may be exercised in the determination of that benchmark;</li> <li>d) be rigorous, continuous and capable of validation including, where appropriate, back-testing against available regulated market data;</li> <li>e) be resilient and ensures that the benchmark can be calculated in the widest set of possible circumstances, without compromising its integrity;</li> <li>f) traceable and verifiable.</li> </ul> <p>When developing a benchmark methodology, LIMEYARD considers the following:</p> <ul style="list-style-type: none"> <li>a) take into account factors including the size and normal liquidity of the market, fundamental data, the transparency of trading and the positions of market participants, market concentration, market dynamics, and the adequacy of any sample to represent the market or economic reality that the benchmark is intended to measure;</li> <li>b) determine what constitutes an active market for the purposes of that benchmark; and</li> <li>c) establish the priority given to different types of input data.</li> </ul> <p>In addition, LIMEYARD must put in place clear published arrangements that identify the circumstances in which the quantity or quality of input data falls below the standards necessary for the methodology to determine the benchmark</p>

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		<p>accurately and reliably, and that describe whether and how the benchmark is to be calculated in such circumstances.</p> <p>During the index design process the simulated results for the index calculation must be tested against their ability to adequately measure the interest. In addition, new indices are in general back-tested or (in exceptional circumstances) back-casted (in case only limited data is available) using historical data, if economically and technically feasible. In case of new raw data, a data analysis and cleansing must be conducted to ensure the adequacy of the sample</p>
<p><b>7. Data Sufficiency</b></p>	<p>The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:</p> <ul style="list-style-type: none"> <li>a) Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</li> <li>b) Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Benchmark measures in order for it to function as a credible indicator of prices, rates, indices or values.</li> </ul> <p>This Principle requires that a Benchmark be based upon (i.e., anchored in) an active market having observable Bona Fide, Arms-Length Transactions. This does not mean that every individual Benchmark determination must be constructed solely of</p>	<p>LIMEYARD considers that it complies with Principle 7 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the data sufficiency requirements. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Data Sufficiency policy.</p> <p>The Index Methodology Guide which is available on the LIMEYARD website describes the treatment of the data used in the benchmark calculation. Management of the data sourced from third parties is governed by the Data Sufficiency policy.</p> <p>The data used to construct and determine an index must be sufficient to accurately and reliably represent the interest measured by the index. The nature of an index determines the data that are used for the index determination. In general,</p>

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	<p>transaction data. Provided that an active market exists, conditions in the market on any given day might require the Administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions. Depending upon the Administrator's Methodology, this could result in an individual Benchmark determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions.</p>	<p>LIMEYARD uses traded prices from regulated exchanges/markets (representing observable bona fide, arms-length transactions) for all LIMEYARD Indices wherever possible and reasonable. For any deviations from this rule, such as the use of non-transaction data, a detailed rationale must be provided as part of the published index methodology of the affected LIMEYARD index.</p> <p>If LIMEYARD determines that transaction data to determine an index is not available or the application of the hierarchy of data inputs would not result in an accurate and reliable representation of the interest measured by the index, the issue will be escalated and resolved by the responsible governance body.</p>
<p><b>8. Hierarchy of data inputs</b></p>	<p>An Administrator should establish and Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks. In general, the hierarchy of data inputs should include:</p> <ul style="list-style-type: none"> <li>a) Where a Benchmark is dependent upon Submissions, the Submitters' own concluded arms-length transactions in the underlying interest or related markets;</li> <li>b) Reported or observed concluded Arm's-length Transactions in the underlying interest;</li> <li>c) Reported or observed concluded Arm's-length Transactions in related markets;</li> <li>d) Firm (executable) bids and offers; and</li> </ul>	<p>LIMEYARD considers that it complies with Principle 8 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the hierarchy of input data. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Hierarchy of Input Data policy.</p> <p>The data inputs for LIMEYARD benchmarks are those required to fulfil the criteria laid out in the Index Methodology Guide to ensure a benchmark meets the design objective. The Index Methodology Guide is available on the LIMEYARD website.</p> <p>At LIMEYARD the provision of a benchmark is governed by the following requirements in respect of its input data:</p>

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	<p>e) Other market information or Expert Judgments.</p> <p>Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology. The Administrator should retain flexibility to use the inputs it believes are appropriate under its Methodology to ensure the quality and integrity of its Benchmark. For example, certain Administrators may decide to rely upon Expert Judgment in an active albeit low liquidity market, when transactions may not be consistently available each day. IOSCO also recognizes that there might be circumstances (e.g., a low liquidity market) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given Benchmark determination.</p>	<ol style="list-style-type: none"> <li>1) the input data shall be sufficient to represent accurately and reliably the market or economic reality that the benchmark is intended to measure. The input data shall be regulated market data, if available and appropriate. If regulated market data is not sufficient or is not appropriate to represent accurately and reliably the market or economic reality that the benchmark is intended to measure, input data which is not regulated market data may be used, including estimated prices, quotes and committed quotes, or other values;</li> <li>2) the input data referred to in point (1) shall be verifiable;</li> <li>3) clear guidelines must be established regarding the types of input data, the priority of use of the different types of input data and the exercise of expert judgement, to ensure compliance with point (a) and the methodology;</li> <li>4) where a benchmark is based on input data from submitter the input data shall be obtained from a reliable and representative panel or sample of submitters so as to ensure that the resulting benchmark is reliable and representative of the market or economic reality that the benchmark is intended to measure;</li> <li>5) In case of any indication that the submitter does not adhere to the code of conduct, in such case LIMEYARD will obtain representative publicly available data.</li> </ol> <p>The Product Development in LIMEYARD is responsible for ensuring that for each index, the hierarchy of data inputs is clearly defined and disclosed in the published index methodologies.</p>

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		<p>LIMEYARD defines expert judgment as any exercise of discretion with respect to the use of data in determining a benchmark or the deviation from published index methodologies (including situations where no rule exists), including the extrapolation of values from prior or related transactions, the adjustment of values for factors that could influence the quality of data such as market events or impairment of a buyer or seller's credit quality, or weighting firm bids or offers greater than a particular concluded transaction. Data filter rules are not considered expert judgment; they are considered a part of the methodology of an index and must be disclosed in the index methodology guide.</p> <p>In general, LIMEYARD indices are based on traded prices sourced from regulated trading venues and hence use only under exceptional circumstances expert judgement over data inputs. In exceptional circumstances, for example, where securities have stopped trading because they have been suspended, or because a market has been unexpectedly closed, the use of judgement is set out in the Index Methodology Guide which is available on the LIMEYARD website.</p>
<b>9. Transparency of Benchmark determinations</b>	<p>The Administrator should describe and publish with each Benchmark determination, to the extent reasonable without delaying an Administrator publication deadline:</p> <p>a) A concise explanation, sufficient to facilitate a Stakeholder's or Market Authority's ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and</p>	<p>LIMEYARD considers that it complies with Principle 9 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the transparency requirements on benchmark determinations. These controls form an integral part of its risk-based control framework and are supported by</p>

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	<p>volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (i.e., transaction-based, spread-based or interpolated/extrapolated);</p> <p>b) A concise explanation of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</p>	<p>LIMEYARD's Benchmark Determination and Dissemination policy.</p> <p>LIMEYARD provides and publishes various documents on its website that describe how benchmark determinations are made. These documents, which include the Index Methodology Guide, Trading and Dissemination Calendars and Periodic Index Reviews schedule. Additional data, including historic components and weights are made available on the LIMEYARD website.</p> <p>The Index Methodology Guide along with the other information that is published on the LIMEYARD website provide sufficient information to allow stakeholders and market authorities to understand the process used to make determinations for each Benchmark.</p> <p>Subscribing clients are provided with data files that allow them to validate how the Benchmark has been determined. These include data files containing the constituent weights and prices for each Benchmark at the open and close of markets. Additional files provide advance notice of constituent changes at periodical reviews, including constituent additions and deletions and changes arising from corporate events.</p> <p>An explanation to the extent to which and on what basis expert judgement is used is described in LIMEYARD's response to IOSCO Principle 8.</p>
<p><b>10. Periodic review</b></p>	<p>The Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine</p>	<p>LIMEYARD considers that it complies with Principle 10 of the IOSCO Principles for Financial Benchmarks.</p>

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	<p>whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator also should periodically review whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.</p> <p>The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.</p>	<p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the periodic benchmark methodology reviews. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Periodic Review policy.</p> <p>LIMEYARD's benchmarks are reviewed within each benchmark determination by LIMEYARD's Operations team. In addition, LIMEYARD's Product Development team reviews each benchmark and benchmark methodology on an annual basis. The results of this assessment are provided to the LIMEYARD Oversight Committee for review and approval.</p> <p>An annual review of benchmark methodologies is conducted by Product Development. The Management Committee must determine the frequency and coverage of these reviews. Dependent on the characteristics of an index, the following factors must be considered:</p> <ul style="list-style-type: none"> <li>- political and economic changes in markets;</li> <li>- developments in the industry and / or sectors that the index is intended to track;</li> <li>- internal feedback from the LIMEYARD Operations team and sub-teams or other staff members;</li> <li>- feedback from customers; and</li> <li>- further external market consultation.</li> </ul> <p>If changes to a benchmark methodology are deemed necessary the Management Committee has to approve them and the Oversight Committee has to oversee them. In this respect, the</p>

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		<p>Oversight Committee is also responsible to oversee the implementation of any changes or amendments to existing index methodology and may request to consult on the proposed changes.</p> <p>All changes to existing index rules or amendments to index methodologies must be updated in the index methodology guide and published through appropriate communication channels, such as LIMEYARD's website.</p> <p>A summary of the results of the index methodology review by Product Development must be made available to stakeholders upon request.</p>
<p><b>11. Content of Methodology</b></p>	<p>The Administrator should document and Publish or Make Available the Methodology used to make Benchmark determinations. The Administrator should provide the rationale for adopting a particular Methodology. The Published Methodology should provide sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments.</p> <p>At a minimum, the Methodology should contain:</p> <ul style="list-style-type: none"> <li>a) Definitions of key terms;</li> <li>b) All criteria and procedures used to develop the Benchmark, including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data</li> </ul>	<p>LIMEYARD considers that it complies with Principle 11 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the requirements that it has defined when developing a benchmark methodology. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Content of Methodology and Benchmark Design policy.</p>

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	<p>types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;</p> <p>c) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;</p> <p>d) The procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);</p> <p>e) The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;</p> <p>f) Information regarding the frequency for internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;</p> <p>g) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and</p> <p>h) The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p>	
<p><b>12. Changes to the Methodology</b></p>	<p>An Administrator should Publish or Make Available the rationale of any proposed material change in its Methodology, and procedures for making such changes. These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other</p>	<p>LIMEYARD considers that it complies with Principle 12 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor benchmark methodology changes. These controls form an integral part of its risk-based</p>

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	<p>Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark's use) of changes.</p> <p>Those procedures should be consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations. When changes are proposed, the Administrator should specify exactly what these changes entail and when they are intended to apply.</p> <p>The Administrator should specify how changes to the Methodology will be scrutinized, by the oversight function.</p> <p>The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark's use and the nature of the Stakeholders. Procedures should:</p> <ol style="list-style-type: none"> <li>a) Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyze and comment on the impact of such proposed material changes, having regard to the Administrator's assessment of the overall circumstances; and</li> <li>b) Provide for Stakeholders' summary comments, and the Administrator's summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.</li> </ol>	<p>control framework and are supported by LIMEYARD's Changes to Methodology policy.</p> <p>LIMEYARD publishes its principles and high-level procedures for index changes on its website. The procedures include what constitutes a material change and the method and timing for consulting Subscribers and Stakeholders.</p> <p>The internal control framework of LIMEYARD ensures that changes to the index methodology follow the LIMEYARD policies and are subject to the appropriate oversight and stakeholder consultation.</p> <p>LIMEYARD has implemented a governance structure with committees and policies to review index methodologies, when stakeholders are to be contacted and when and how to publish any changes.</p> <p>All changes to the methodologies of LIMEYARD benchmarks must be overseen by the Oversight Committee and approved by the Management Committee following the procedure described in LIMEYARD's response to Principle 10.</p> <p>Approved Methodology changes to indexes are announced on LIMEYARD website and are directly communicated via email to subscribers of a benchmark, which includes the rationale underlying the changes and the timetable for their implementation.</p> <p>Depending on the impact of a change, implementation may be immediate or may be preceded by advance notification. For example, a change in a treatment of corporate actions may take</p>

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		<p>effect from the next instance of such an event. For changes relating to the eligibility requirements for a Benchmark a longer period of notice will be given and users may be provided with a transition plan.</p> <p>Changes to the procedures used to conduct Benchmark reviews are announced typically three months in advance of implementation to allow users time to prepare.</p> <p>Proposed Methodology changes that are deemed material (such as changes to the update frequency for free float or shares outstanding, or to the eligibility criteria) are presented to external Advisory Committees for debate and comment before being tabled at a meeting of the Management Committee. Summaries of external Advisory Committee discussions are made available on LIMEYARD's website.</p> <p>Clarifications of the methodology are updated in the Index Methodology Guide. All changes are tracked in the "History of Changes to the Index Methodology Guide" section of the Index Methodology Guide.</p>
<p><b>13. Transition</b></p>	<p>Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that</p>	<p>LIMEYARD considers that it complies with Principle 13 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the transition and cessation of a benchmark. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Transition and Cessation policy.</p>

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	<p>might result from the cessation of the Benchmark. The Administrator should take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.</p> <p>These written policies and procedures should be Published or Made Available to all Stakeholders.</p> <p>Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <ol style="list-style-type: none"> <li>a) Contracts or other financial instruments that reference a Benchmark, have robust fallback provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</li> <li>b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.</li> </ol> <p>Administrators' written policies and procedures to address the possibility of Benchmark cessation could include the following factors, if determined to be reasonable and appropriate by the Administrator:</p> <ol style="list-style-type: none"> <li>a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics (e.g., credit quality, maturities and liquidity of</li> </ol>	<p>The policy sets out the reasons that might require LIMEYARD to decommission a benchmark and replace it with a new benchmark (transition) or decommission a benchmark permanently without any substitute benchmark (cessation).</p> <p>In general, any LIMEYARD department can identify the need and submit a proposal for the decommissioning of an index to Product Development. If Product Development assesses the conditions for a cessation, the Management Committee must be involved to formally request the cessation of an index. The Management Committee is responsible for formally proposing the cessation or transition of an index as well as the applicable procedure and for providing LIMEYARD's Oversight Committee with the necessary documentation. The Oversight Committee has the right to review the assessment and the request for termination of the index by the Management Committee. If necessary, the Oversight Committee can request an external consultation. The rationale for the cessation or transition of an index must be documented.</p> <p>Before decommissioning or replacing an index, LIMEYARD always determines whether there are any listed financial products issued on that index as the underlying. LIMEYARD will only terminate indices provided that:</p> <ul style="list-style-type: none"> <li>- All existing (to LIMEYARD's best knowledge) commercial customers have been consulted and usage rights have been terminated or transitioned accordingly.</li> <li>- Any consultations with stakeholders have not led to the decision to continue the index.</li> </ul>

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	<p>the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;</p> <p>b) The practicality of maintaining parallel Benchmarks (e.g., where feasible, maintain the existing Benchmark for a defined period of time to permit existing contracts and financial instruments to mature and publish a new Benchmark) in order to accommodate an orderly transition to a new Benchmark;</p> <p>c) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p> <p>d) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and</p> <p>e) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.</p>	<p>No public consultation will be required for those LIMEYARD benchmarks for which no listed financial products have been issued.</p> <p>LIMEYARD must give sufficient notice in order to ensure that all non-commercial stakeholders have sufficient time to adjust accordingly.</p> <p>Subscribers or other stakeholders will be informed about a cessation or transition of an index at least 3 months in advance, where possible. Shorter notice can be given if previous client consultations occurred or clients are not impacted. A statement on the website (press announcement) and email to subscribers or other stakeholders will be issued giving detailed information about the nature and rationale of the cessation and transition as well as the date on which the index is decommissioned.</p> <p>When discontinuing an index without launching a new one, LIMEYARD may consider whether to recommend using an alternative credible index to the stakeholders, but is not obliged to offer an alternative index. Product Development is responsible for evaluating and proposing such recommendations whereas it must consider such criteria as: matching characteristics of the discontinued index, differentials between indices, the extent to which an alternative index meets the needs of stakeholders, investability of the alternative index, availability of transparent transaction data, impact on stakeholders and impact of existing legislation.</p>

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		<p>The basic principles of the index transition or termination process are also disclosed in LIMEYARD's Index Methodology Guide which can be found on the <a href="#">LIMEYARD website</a>.</p>
<p><b>14. Submitter Code of Conduct</b></p>	<p>The Administrator should develop guidelines for Submitters ("Submitter Code of Conduct"), which should be available to any relevant Regulatory Authorities, if any and Published or Made Available to Stakeholders.</p>	<p>LIMEYARD does not provide any benchmarks that are based on input data submissions or contributions.</p>
<p><b>15. Internal Controls over Data Collection</b></p>	<p>When an Administrator collects data from any external source the Administrator should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of the Front Office Function, the Administrator should seek corroborating data from other sources.</p>	<p>LIMEYARD considers that it complies with Principle 15 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established a risk-based controls framework that is supported by policies and documents that includes controls over the data collection.</p> <p>In general, LIMEYARD benchmark data are collected directly from an exchange or from data vendors.</p> <p>In particular, all input data in the index calculation process are subject to a number of validation checks and ex-post analysis of trends at the time the data are sourced and after the calculation of a given index is complete with the intent of detecting outliers. At the same time, LIMEYARD, before the dissemination of the index value, performs ex-post benchmarking and historical market trend analyses to identify possible errors in the benchmark calculation.</p> <p>Further information on LIMEYARD's control framework is provided in Principle 4.</p>

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<p><b>16. Complaints Procedures</b></p>	<p>The Administrator should establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination.</p> <p>The complaints procedures policy should:</p> <ol style="list-style-type: none"> <li>a) Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;</li> <li>b) Contain procedures for receiving and investigating a complaint made about the Administrator's Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;</li> <li>c) Contain a process for escalating complaints, as appropriate, to the Administrator's governance body; and</li> <li>d) Require all documents relating to a complaint, including those submitted by the complainant as well as the Administrator's own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.</li> </ol> <p>Disputes about a Benchmarking determination, which are not formal complaints, should be resolved by the Administrator by</p>	<p>LIMEYARD considers that it complies with Principle 16 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established a complaints procedures policy.</p> <p>Any complaints can be submitted in either of the following ways:</p> <ol style="list-style-type: none"> <li>1. via the <a href="#">contact form</a> on the LIMEYARD website.</li> <li>2. via the e-mail address: <a href="mailto:compliance@limeyard.ch">compliance@limeyard.ch</a></li> <li>3. via mail to LIMEYARD Ltd, Compliance Officer, Schanzengasse 10, 8001 Zürich, Switzerland</li> </ol> <p>All complaints will be investigated and a response given to the complainant. In general, the receipt of complaint/claim will be confirmed to the claimant within five (5) business days and the expected date of a response shall be mentioned.</p> <p>In general, a complaint will be investigated on a timely and fair basis by LIMEYARD personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint. The departments and units that are the subject of the complaint will be consulted and involved in the investigation process. The Compliance Officer coordinates and monitors the handling of complaints/claims and ensures that all relevant organizational units affected are consulted where necessary. All complaints/claims must be answered in writing within twenty (20) business days upon acknowledgement of receipt if reasonably possible. As a rule, the Compliance Officer will draw up an answer, with responsible line manager's support. In any case,</p>

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	<p>reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that should be Published or Made Available to Subscribers and Published or Made Available to Stakeholders as soon as possible as set out in the Methodology.</p>	<p>approval from the Compliance Officer must be obtained for any external communication regarding complaints.</p> <p>Complaints will always be reviewed and assessed by the Management Committee. LIMEYARD's Oversight Committee will always be informed about a complaint.</p>
<p><b>17. Audit</b></p>	<p>The Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated criteria and with the Principles. The frequency of audits should be proportionate to the size and complexity of the Administrator's operations.</p> <p>Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator (except for Benchmarks that are otherwise regulated or supervised by a National Authority other than a relevant Regulatory Authority), an Administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated Methodology. The frequency of audits should be proportionate to the size and complexity of the Administrator's Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.</p>	<p>In compliance with Principle 17, LIMEYARD will appoint an external auditor to independently review LIMEYARD's adherence with the IOSCO Principles for Financial Benchmarks. LIMEYARD intends to have the first audit completed for the period 1.3.2018 – 31.12.2018.</p>
<p><b>18. Audit trail</b></p>	<p>Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</p>	<p>LIMEYARD considers that it complies with Principle 18 of the IOSCO Principles for Financial Benchmarks.</p> <p>For this purpose, LIMEYARD has established processes and controls to manage and monitor the storage and archiving of data</p>

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	<p>a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p> <p>b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p> <p>c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p> <p>d) The identity of each person involved in producing a Benchmark determination; and</p> <p>e) Any queries and responses relating to data inputs.</p> <p>If these records are held by a Regulated Market or Exchange the Administrator may rely on these records for compliance with this Principle, subject to appropriate written record sharing agreements.</p>	<p>that are used in the provision of a benchmark. These controls form an integral part of its risk-based control framework and are supported by LIMEYARD's Record-keeping policy.</p> <p>Written records must be retained and made accessible to LIMEYARD authorized parties (e.g. auditors) by Operations for at least five (5) years with respect to the following data and information:</p> <ol style="list-style-type: none"> <li>1. all input data used for the determination of a benchmark, including the use of such data;</li> <li>2. the methodology used for the determination of a benchmark;</li> <li>3. any exercise of judgement or discretion by the administrator and, where applicable, by assessors, in the determination of a benchmark, including the reasoning for said judgement or discretion;</li> <li>4. the disregard of any input data, in particular where it conformed to the requirements of the benchmark methodology, and the rationale for such disregard;</li> <li>5. other changes in or deviations from standard procedures and methodologies, including those made during periods of market stress or disruption;</li> <li>6. the identities of the submitters and of the natural persons employed by the administrator for the determination of a benchmark;</li> <li>7. all documents relating to any complaint, including those submitted by a complainant;</li> <li>8. relevant documentation of the work of governance bodies, e.g., meeting minutes and further documentation of the</li> </ol>

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		<p>Oversight Committees and minutes of material interactions between Third Party Index Administrators and LIMEYARD, written assessments of incidents; and periodic suitability reviews of LIMEYARD and Shareholder indices; and</p> <p>9. telephone conversations or electronic communications between any person employed by the administrator and contributors or submitters in respect of a benchmark.</p> <p>The records outlined in points 1 to 8 for at least five (5) years in such a form that it is possible to replicate and fully understand the determination of a benchmark and enable an audit or evaluation of input data, calculations, judgements and discretion.</p> <p>Records of telephone conversation or electronic communications recorded in accordance with point 9 must be provided to the persons involved in the conversation or communication upon request and shall be kept for a period of three (3) years.</p>