

Tassat Index Administration Conflict of Interest Policy

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1. Introduction

Tassat acts as index administrator for the Tassat Fixing Price family of indices (XBTFixing and ETHFixing). As an index administrator, Tassat is fully compliant with all principles in the IOSCO Principles for Financial Benchmarks (July, 2013). Principle 3 states that index administrators should have a comprehensive policy that is designed to identify, control, and mitigate the effects on index determinations of any conflicts of interest. This document details the Tassat Conflict of Interest Policy for index administration.

2. Applicability

Many parts of this policy are generally applicable to:

- Employees, officers, and directors of Tassat.
- The Tassat Index Administration Oversight Committee
- Third parties contracted by Tassat to perform any activities related to index determination
- Any suppliers of pricing data to Tassat who have discretionary input into the data supplied. The exceptions to this are market makers from whom Tassat sources executable bid / offer prices and exchanges from which Tassat directly sources public transactional data.

Elements of this policy which only apply to a sub-group of the above are clearly identified in the policy.

3. Types of Conflicts of Interest

3.1 Personal Conflicts of Interest

A personal conflict of interest is one where an individual stands to benefit from any influence exerted over or judgment used in the determination of an index. This benefit might arise from:

- Personal investment in financial products linked to an index or in funds which are active in markets linked to an index
- Personal investment in any companies which derive revenue from activity linked to an index
- Directorship of any companies which are active in markets linked to an index
- Foreknowledge of any action taken by the administrator in the normal course of index administration which could result in changes to the level of the index

These conflicts could arise for any employees, officers, or directors of the index administrator; any third party contractors or discretionary data suppliers; and members of the index administration oversight committee.

3.2 Organizational Conflicts of Interest

Any organization involved in any part of the index determination may be conflicted if influence exerted over or judgment used in the determination of the index could result in material benefits to the organization. These benefits could arise from:

- Any common ownership of the conflicted organization and other companies which derive revenue or profitability from activities linked to the index
- Organizational perception at the index administrator, or at any third party contractors and / or discretionary data suppliers that controlling levels or volatility of the index could lead to greater trading activity of the underlying interests which the index is based on or of financial products which reference the index, leading to greater demand for the index.

4. Identification of Conflicts of Interest

The most critical step in mitigating the effects of conflicts of interest is the accurate and timely identification of all such conflicts.

The following policies ensure the identification of conflicts of interest for all potentially conflicted individuals and organizations:

1. All employees and officers of Tassat must make an annual declaration of all conflicts of interest related to the indices administered by Tassat. Further, they must immediately declare any new conflicts that arise in between annual declarations. Intentional falsification or omissions in conflict of interest declarations will be met with disciplinary action up to termination of employment.
2. Members of the Index Administration Oversight Committee must disclose all conflicts of interest at the time of their appointment, and shall recuse themselves from any committee decisions that could result in benefit to them through these conflicts. Committee members will promptly disclose to the Committee and the index administrator any new conflicts that arise.
3. Any third party contractors involved in index determination and any data suppliers with discretionary influence over the data supplied will disclose any conflicts of interest of their organization and of their employees involved in activities directly related to the contracted function or the data supplied at the time they are contracted or begin supplying data. They will update these disclosures annually, and will immediately inform the index administrator of any new conflicts which arise.

All declarations and disclosures of conflicts of interest will be retained by the index administrator for a minimum of seven years, and will be reviewed on an annual basis by the Oversight Committee.

5. Mitigating the Possible Effects of Conflicts

While Tassat recognizes that it will be impossible to eliminate all conflicts of interest, multiple measures can be and are taken to limit the effect that a conflicted individual or organization can have on index determinations.

5.1 Index Design and Methodology

The Tassat Fixing Price Indices have two primary design features which severely limit the potential for influence to be exerted by anyone, even the index administrator.

1. The index methodologies use no data over which the supplier has any control or discretion. Only executed transaction data and / or executable bid/offer data is used.
2. The index determination methodology uses virtually no expert judgment on the part of the index administrator or anyone involved in any step of the index determination process. The only expert judgment used is in the qualification and ranking of exchanges and market makers which are potential data sources, and in the selection of replacement data sources in the event that one or more data sources need to be removed. Both of these processes follow a detailed procedure laid out in the index methodology and are subject to Oversight Committee approval.

5.2 Other Mitigating Measures

Other measures which limit the ability of conflicted individuals or organizations to influence index determinations are:

- All data processing and index calculation steps reside on a network which is physically separate from any of the exchange operations of Tassat.
- Access to raw data and intermediate calculated data is restricted to index administration and internal audit personnel.

6. Disclosure of Conflicts of Interest

Tassat will publish on its website and update annually all conflicts of interest identified under section 4 of this policy.