



## ***VISTA BENCHMARK ADMINISTRATION***

### **VISTA ADMINISTRATOR CODE OF CONDUCT**

#### **INTRODUCTION**

The International Organization of Securities Commissions (IOSCO) published its final report on Principles for Financial Benchmarks in July 2013. The Principles represent a set of practices that should be implemented by Benchmark Administrators and Submitters. The Principles are intended to promote the reliability of Benchmark determinations and address Benchmark governance, quality and accountability mechanisms.

This Administrator Code of Conduct documents the processes and policies that VISTA Benchmark Administration (“VISTA”), managed by Vista Index Services, LLC (“Vista Index”), maintains as Administrator for its Benchmarks to address IOSCO Principles for Financial Benchmarks.

#### **GOVERNANCE**

A Benchmark should have appropriate governance arrangements in place to protect the integrity of the Benchmark and to address conflicts of interest.

**IOSCO Principle 1** (Overall Responsibility of the Administrator) of IOSCO’s Principles for Benchmarks states that Administrators should retain primary responsibility for all aspects of the Benchmark determination process to include development, determination and dissemination, operations and governance.

#### **1.1 Benchmark Definition and Methodology**

VISTA has primary responsibility for all aspects of the benchmark determination process and will make available the index definition and methodology (“Index Documentation”) for the Vista Benchmarks on Vista Index’s website.

#### **1.2 Benchmark Determination and Dissemination**

Vista Benchmarks are calculated, published and disseminated according to Index Documentation. VISTA will disseminate all relevant data regarding the determination, including index composition, on an efficient and timely basis.

To ensure accurate and timely delivery of its indices, VISTA produces internal performance measures that are reviewed by an internal committee (“Index Management Committee”) on a regular basis. Operational measures include actual publication times versus schedule, price challenges, and restatement metrics.

#### **1.3 Benchmark Operations and Transparency**

VISTA will ensure that relevant documentation and significant decisions affecting the administration or calculation of the Vista Benchmarks are made publicly available on a timely basis. VISTA maintains a public website for providing user access to all Benchmark data.

VISTA maintains a Business Continuity Plan to ensure that appropriate framework is in place to minimize disruption to Vista Benchmarks and to enable business continuity and resumption of service in the event of a disaster.

#### **1.4 Benchmark Governance, Oversight and Accountability**

VISTA maintains an Index Management Committee that is accountable for the overall operation of the Vista Benchmarks. This committee is comprised of staff from product management, research, operations, and development functions within the company. The Index Management Committee meets on a regular basis to discuss benchmark operational performance measures and to review key business issues and risks.

VISTA will provide information and reports as requested to the Oversight Committee (*see section 5.1, Internal Oversight*) in connection with its responsibility to review and provide checks and balances on all aspects of the benchmark determination process.

VISTA, as it sees fit to ensure the independence of the Vista Benchmarks, may create and seek advice from committees (“Advisory Committees”) comprised of market experts and participants. The objective of these committees is to solicit feedback that can assist Vista Index in the creation of the highest quality standards for its Indices. Each Advisory Committee will have its own policies and procedures outlining the committee’s role, membership requirements and procedures.

**IOSCO Principle 2** (Oversight of Third Parties) of IOSCO’s Principles for Benchmarks states that 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.

#### **2.1 Oversight of Third Parties**

For Vista Benchmarks, VISTA maintains, as appropriate, a list of third parties that perform activities related to the Benchmark determination process, and for each third party, as a matter of procedure, will:

- Review new products and any changes to existing products to identify third parties that perform activities related to the Benchmark determination process;
- Review on a periodic basis written agreements with each third party that performs activities related to the Benchmark determination process. Each such agreement will include a provision permitting Vista Index to monitor compliance with any standards set out by VISTA;
- Review on a periodic basis publication of identity and roles of third parties in the Index Documentation and contingency plans; and
- Provide a report to the Oversight Committee (*see section 5.1, Internal Oversight*) including a list of third parties including the obligations and expected compliance standards, compliance monitoring processes and contingency plans.

**IOSCO Principle 3** (Conflicts of Interest for Administrators) of IOSCO’s Principles for Benchmarks states to protect the integrity and independence of Benchmark determination, Administrators should document, implement and enforce policies 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.

The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses.

### **3.1 Conflicts of Interest**

VISTA will administer the Vista Benchmarks in a manner that is reasonably designed to protect the integrity and independence of the Benchmark administration process.

#### **3.1.1 Staff Obligations**

All employees and advisors working for VISTA are required to avoid any activity, situation or relationship that creates or appears to create a conflict of interest. However, when potential or actual conflicts of interest do arise, it is the employee’s or advisor’s responsibility to recognize it and to immediately notify Vista Index’s Compliance Department in accordance with the Conflicts of Interest Policy. In addition, all employees must attest annually to their compliance with this Policy.

#### **3.1.2 External Advisory Committee Member Obligations**

Vista Advisory Committees may include representatives who are not full time Vista employees. Although members of these committees are expected to act as individuals when serving, they may face conflicts of interest when doing so. Conflicts that may arise include:

- Obtaining confidential information which may be useful to their employers;
- Imposing undue burdensome requirements with respect to Benchmark Submitters;
- Changing definitions of a benchmark that may be of commercial advantage

Upon appointment to an Advisory Committee, each member will confirm to the Compliance Department any appointment or arrangement that may or is in conflict with their position as an Advisory Committee member (*examples included above*); and must comply with VISTA’s policy on conflict of interest. In addition, all Advisory Committee members must attest annually to their compliance with this Policy.

#### **3.1.3 Benchmark Review Obligations**

VISTA will conduct a periodic review of each existing product, and each new product, to identify potential and existing conflicts of interest. The conflict of interest review will address the following:

- Segregation of reporting lines within VISTA, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;
- Adequate supervision and sign-off by authorized or qualified employees prior to releasing Benchmark determinations;
- Controls in place to maintain confidentiality of data, information and other inputs submitted to, received by or produced by VISTA, subject to the disclosure obligations of VISTA;

- Procedures in place to avoid, mitigate or disclose identified conflicts of interest that may exist between the benchmark determination process (including all staff), and any other business of Vista Index or any of its affiliates.

Each conflict of interest review will be documented and a report summarizing the review will be submitted to the Oversight Committee as part of its oversight function.

**IOSCO Principle 4** (Control Framework for Administrators) of IOSCO’s Principles for Benchmarks states an Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark.

#### **4.1 Control Framework for Administrators**

- 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.
- This control framework should be reviewed periodically and updated as appropriate.

The framework will address the following areas:

1. Conflicts of interest in line with Principle 3 on conflicts of interests;
2. Integrity and quality of Benchmark determination;
3. Whistleblowing mechanism; and
4. Expertise.

##### **4.1.1 Framework Main Features**

Vista Index’s control framework is comprised of the following main features:

- Conflict of interest policies (*see section 3.1, Conflicts of Interest*) including escalation and reporting processes.
- Transparent Index Documentation publicly available on VISTA’s website.
- Robust operational processes and documentation ensuring quality and integrity of Benchmarks and Benchmarks inputs including where applicable:
  - Multiple operational checks covering processes ranging from data inputs collection, benchmark calculation and dissemination;
  - Exceptions being logged, monitored and reported upon and escalated where appropriate; and
  - Complaint tracking including reporting from inception to resolution and relevant fixes.
- Clear governance function in place with documented processes.
- Procedures in place, including Submitter compliance with the Submitters Code of Conduct, to ensure the quality, integrity and accountability of Benchmark are maintained in line with principles 6 to 19.
- Vista’s Code of Conduct and Business Ethics and related Whistleblowing Policy.
- Staff expertise being monitored through supervision, training, annual competence review and adherence to VISTA’s Code of Conduct and Business Ethics.

The control framework will be reviewed at least annually by VISTA and updated as appropriate.

**IOSCO Principle 5** (Internal Oversight) of IOSCO’s Principles for Benchmarks states an Administrator should establish oversight functions 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.

## **5.1 Internal Oversight**

VISTA’s internal oversight is comprised of an Oversight Committee with overall responsibility of the effective scrutiny of VISTA and an annual Compliance Review/Audit conducted by an independent third party.

### **5.1.1 Oversight Committee**

To help discharge its regulatory responsibilities, VISTA has established an Oversight Committee responsible for effective scrutiny of VISTA, including:

- Review and provide challenge on all aspects of the Benchmark determination process.
- The recommendation and implementation of any necessary changes to new or existing products as may be required as a result of operational, legal, regulatory risks, as well as input or complaints from stakeholders.

The Oversight Committee is comprised of at least three members to include the Company’s Managing Director, plus a minimum of two additional members.

### **5.1.2 Oversight Committee Procedures**

The Oversight Committee will periodically meet and will address each of the following matters:

- Benchmark design for new and existing products including the review and approval procedures for termination of the Benchmark.
- Benchmark determination and control framework including:
  - Management and operation of the Benchmarks
  - Third party oversight
  - Audit results and following up on implementation of remedial actions highlighted in the results of these audits
  - Expert judgment oversight including recommendations and other guidance received from the Advisory Committees
- Any pending Complaints
- Internal Compliance Reviews and Audits
- Regulatory examinations or Inquiries

### **5.1.3 Audit / Compliance Review**

As set forth in Section 17 (*Audits*), VISTA’s independent third-party auditor will:

- Annually test adherence to (1) the Principles, (2) its stated Methodology, and (3) adherence to this Administrator’s Code of Conduct; and
- Submit to the Oversight Committee an annual report summarizing the test results, any significant identified exceptions, any remedial actions highlighted in the results of these audits and any additional or amended policies and procedures created in response to the test results.

## QUALITY OF BENCHMARK

**IOSCO Principle 6** (Benchmark Design) of IOSCO's Principles for Benchmarks states 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.

### 6.1 Benchmark Design Policy

Each Vista Benchmark is designed to reflect the performance of cohorts of residential mortgage loans and mortgage credit securities, including subsets that reflecting differing loan categories and computation definitions. While designing the Vista Benchmarks, VISTA will take into account the following features not limited to and where applicable:

- Index universe and constituent selection process
- Size and liquidity, where applicable
- Relative size of the underlying market
- Market concentration, where applicable
- Market dynamics: up-to-date pricing, where applicable, and other events that impact the index constituents are reflected

### 6.2 Benchmark Design Procedures

- Prior to offering a new Benchmark, VISTA will review and approve the Benchmark design in accordance with this IOSCO Principle 6.
- VISTA will also review the Benchmark Design for all existing Benchmarks as part of its periodic review conducted in accordance with IOSCO Principle 10 (*Periodic Review*).
- The Oversight Committee will also review the Benchmark Design and make recommendations to VISTA in accordance with IOSCO Principle 5 (*Internal Oversight*).

**IOSCO Principle 7** (Data Sufficiency) of IOSCO's Principles for Benchmarks states the data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the dynamic characteristics measured by the Benchmark and should be based on documented events, prices, rates, indices, or values that have been formed by competitive market forces and if reflective of secondary market pricing, be anchored by observable transactions entered into at arm's length between buyers and sellers in the market of Interest.

### 7.1 Data Sufficiency Policy

Vista Benchmarks use readily available credit event data and pricing data provided by vendors, and other market participants to perform index level calculations. Since all input data is readily available in the market, input sources are not required to attest to a Submitters Code of Conduct (*see section 14.1, Submitters Code of Conduct*).

The Index Documentation for Vista Benchmarks will document the source and sufficiency of pricing data used to make the Benchmark determination.

### 7.2 Data Sufficiency Procedures

- Prior to offering a new Benchmark or making a data change to an existing Benchmark, VISTA will review and evaluate the sufficiency of data used to make the Benchmark determination in accordance with IOSCO Principle 7 (*Data Sufficiency*).

- VISTA will also review the Data Sufficiency for all existing Benchmarks as part of its periodic review conducted in accordance with IOSCO Principle 10 (*Periodic Review*).
- The Oversight Committee will also review and make recommendations to Data Sufficiency in accordance with IOSCO Principle 5 (*Internal Oversight*).

**IOSCO Principle 8** (Hierarchy of Data Inputs) of IOSCO’s Principles for Benchmarks states that an administrator should establish and Publish or Make Available clear guidelines regarding hierarchy of data inputs and exercise of Expert Judgment used for determination of Benchmarks.

### **8.1 Hierarchy of Data Inputs Policy with Respect to Pricing Data, if Used in the Benchmark.**

In general, the hierarchy of data inputs should include:

- Reported or observed concluded Arm’s-length Transactions in the underlying interest;
- Reported or observed concluded Arm’s-length Transactions in related markets;
- Indicated bid-side estimates from reliable market sources and
- Other market information or Expert Judgments.

The Index Documentation for each Vista Benchmark will document the hierarchy of data inputs for each index and the exercise of Expert Judgment used in benchmark determination, where applicable.

### **8.2 Hierarchy of Data Inputs Procedures, if Used in the Benchmark.**

- Prior to offering a new Benchmark or making a data or pricing change to an existing Benchmark, VISTA will review and approve the proposed guidelines that will be published regarding the hierarchy of data inputs and exercise of Expert Judgment, if any, used for the determination of the Benchmark in accordance with IOSCO Principle 8 (*Hierarchy of Data Inputs*).
- VISTA will also review the hierarchy guidelines for all existing Benchmarks on a periodic basis.
- The Oversight Committee will also review and make recommendations to Hierarchy of Data Inputs for new and existing Benchmarks in accordance with IOSCO Principle 5 (*Internal Oversight*).

**IOSCO Principle 9** (Transparency of Benchmark Determinations) of IOSCO’s Principles for Benchmarks states that the Administrator should describe and Publish with each Benchmark determination, to the extent reasonable without delaying an administrator publication deadline:

\* 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 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);

\* A concise explanation of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.

### **9.1 Transparency of Benchmark Determinations Policy, if Used in the Benchmark**

To the extent reasonable, VISTA will publish information regarding its sourcing methods used in benchmark determination and, if applicable, the pricing methodology deployed. In accordance with its computational and pricing methodology, if applicable, VISTA will make decisions based on Expert Judgment,

and it will clearly identify, monitor and record processes associated with the use of Expert Judgment in order to provide transparency and avoid any conflicts of interests. To the extent reasonable and where possible, VISTA will seek guidance from Advisory Committees and/or other market participants.

VISTA also documents in the Index Documentation the basis upon which Expert Judgment, if any, will be used for each applicable Vista Benchmark. In the event of market stress or disruption, VISTA will apply the index rules as specified in the relevant Index Documentation. VISTA also will promptly publish information about the disruption event and the input values used. The Index Documentation including pricing rules will include documentation of VISTA's process regarding situations where data inputs are absent or insufficient for benchmark determination.

## 9.2 Transparency of Benchmark Determinations Procedures

- Prior to offering a new Benchmark, VISTA will review and determine the extent to which it is reasonable to publish timely Benchmark transparency explanations for each Benchmark determination in accordance with IOSCO Principle 9 (*Transparency of Benchmark Determinations*). To the extent it is determined to be reasonable, VISTA will publish Benchmark transparency explanations in accordance with IOSCO Principle 9 (*Transparency of Benchmark Determinations*).
- VISTA will also review the Benchmark transparency explanations for each Benchmark, or a decision to not publish an explanation for a Benchmark, for all existing Benchmarks on a periodic basis.
- The Oversight Committee will also review and make recommendations to Transparency of Benchmark Determinations for new and existing Benchmarks in accordance with IOSCO Principle 5 (*Internal Oversight*).

**IOSCO Principle 10** (Periodic Review) of IOSCO's Principles for Benchmarks states that the Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine 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.

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.

## 10.1 Periodic Review Policy

VISTA will periodically review the Index Documentation and design to ensure that it is continuously representative of the benchmark objective. Where applicable, VISTA may also seek feedback from specific Advisory Committees on the results of its periodic reviews.

Results of all material changes made to a Benchmark, based on these reviews, will be published by VISTA, and such publication will contain a summary of the changes as well as the rationale for the revisions.

## 10.2 Periodic Review Procedures

- In accordance with IOSCO Principle 10 (*Periodic Review*), VISTA will conduct a periodic review of the Benchmark design for each Benchmark. This review will include:
  - The conditions in the underlying interest that the Benchmark measures to determine whether the interest has undergone structural changes that might require changes to the design of the Methodology.



- Whether the underlying interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.
- The Index determination rules to ensure that they continue to be representative of the index objective.
- VISTA may also conduct an ad-hoc review as necessary, for instance as part of a complaint investigation.
- The periodic reviews will be documented as evidence and reported to the Oversight Committee for review in accordance with IOSCO Principle 5 (*Internal Oversight*).

## QUALITY OF METHODOLOGY

**IOSCO Principle 11** (Content of the Methodology) of IOSCO’s Principles for Benchmarks states that the Administrator should document and Publish or Make available the Methodology use 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 its appropriateness as a reference for the financial instruments.

### 11.1 Content of the Methodology

VISTA will document and Publish or Make Available the Methodology used to make Benchmark determinations. At a minimum, the Methodology should contain:

1. Definitions of key terms;
2. 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 VISTA, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;
3. Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;
4. 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);
5. The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;
6. 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;
7. The circumstances and procedures under which VISTA will consult with Stakeholders, as appropriate;
8. The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs, if applicable; and

It is the Policy of VISTA to document and publish the methodology used to administer and calculate its indices. This information will be made publicly available on VISTA’s website at [www.vistadaservices.com](http://www.vistadaservices.com).

The published methodology will provide sufficient detail to allow stakeholders to understand how the index is derived as well as show how to assess its representativeness, its relevance to particular stakeholders, and its appropriateness as a reference for financial instruments.

The Index Documentation will contain the items as detailed below.

### **11.1.1 Definition of Key Terms**

The Index Documentation will use standard finance terminology to describe the rules that govern the creation and maintenance of each index and include a Glossary of Key Terms where needed. More complex terms are explicitly defined, especially those terms which relate to mathematical formulae. Stakeholders' comments and/or questions will be taken into account in the review or improvement of the set of documents related to the index methodology.

### **11.1.2 Index Development Procedures**

The Index Documentation will detail the rules that govern the index. This will include selection rules, input data used, calculation methodology as well as specific details around the administration processes such as publication, reviews, rule changes and consultation process with the Advisory Committees.

### **11.1.3 Consistency in the Exercise of Expert Judgment, if Used in the Benchmark.**

As explained under Principle 9 (*Transparency of Benchmark Determinations*), VISTA will decisions based on Expert Judgment. Those decisions will be clearly identified and recorded. In addition and where the Advisory Committees are consulted to seek further advice, meeting minutes will record any decisions taken. This recording allows for transparency, disclosure and avoidance of any conflicts of interests. The ability to refer back to previous cases where Expert Judgment was exercised promotes consistency and predictability in the way that the index rules are being applied.

### **11.1.4 Procedures Under Stressful Circumstances**

In the event of market stress and disruption VISTA will apply the rules as specified in the relevant policies. VISTA also will promptly publish information about the disruption event and the input values used. The Index documentation will include documentation of VISTA's process regarding situations where data inputs are absent or insufficient for benchmark determination.

Additionally, VISTA maintains internal Business Continuity Plans in place to ensure that an appropriate framework is in place to minimize disruption to the Vista Benchmarks and to enable business continuity and timely service resumption in the event of a disaster. The Business Continuity Plan identifies potential risks to Vista Benchmarks, and details countermeasures to manage the threat posed by the loss of office locations, critical infrastructure, and personnel.

### **11.1.5 Index Errors and Revision**

VISTA has implemented a wide range of automated checks to capture and validate exceptions indicating an error or data problem covering multiple checks. In the instance an error is caught, VISTA will review the impact on affected index values. If the analysis leads to a potential revision of the Vista Benchmark determination, VISTA may consult with the Advisory Committees where applicable. If VISTA decides to revise the index values, the reason for the revision together with revised material will published.

VISTA will also compile an incident report, which will summarize the incident, the root cause and implement actions to avoid this specific error in the future, where applicable.

### **11.1.6 Review of Methodology**

VISTA will review the Index Documentation as part of the periodic review outlined in Principle 10 (*Periodic Review*) to ensure that they are continuously representative of the index objective. The Index Documentation is also updated whenever additional changes or clarifications are made. Where applicable, the Index Documentation contains information regarding the procedures and frequency for external reviews of the methodology.

To the extent possible, VISTA will take into account feedback received from Advisory Committees and/or market participants when considering any material changes to the Index rules. Any material changes to the Benchmark Methodology are also overseen by the Oversight Committee, in line with Principle 5 (*Internal Oversight*).

### **11.1.7 Consultations with Stakeholders**

Advisory Committees and other Stakeholders may be consulted during periodic reviews, periods of stressed markets or disruption events or when a material change is made to the Vista Benchmark, for instance a material index revision or a material change to the methodology.

### **11.1.8 Limitations of the Benchmark**

The identification of potential limitations of a Vista Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs, will be covered in the Index Documentation.

## **11.2 Content of Methodology Procedures**

- Prior to offering a new Benchmark, VISTA will review and approve the proposed Methodology in accordance with IOSCO Principle 11 (*Content of Methodology*).
- VISTA will review the Benchmark Methodology used for each Benchmark as part of its periodic review conducted in accordance with IOSCO Principle 10 (*Periodic Review*) to determine if any changes to the Methodology are required in accordance with IOSCO Principle 12 (*Changes in Methodology*).
- The Oversight Committee will also review the Index Documentation and the content of the Methodology as part of IOSCO Principle 5 (Internal Oversight).

**IOSCO Principle 12** (Changes to the Methodology) of IOSCO’s Principles for Benchmarks states that the Administrator should Publish or Make Available the rationale of any proposed material changes 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 Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark’s use) of changes.

The Administrator should specify how changes to the Methodology will be scrutinized, by the oversight function.

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.

## **12.1 Changes to the Methodology Policy**

From time to time, VISTA may determine that revisions to Index Documentation and rules are necessary to address market changes, including industry, regulatory, legal and other changes. VISTA views any change to methodology that results in a significant impact on return profile of the benchmark as material. VISTA will solicit feedback, as necessary, from relevant Advisory Committees to confirm whether the rules change is indeed material and consults on the content of the proposed changes themselves.

If material Index rules changes are required, VISTA will make available the rationale for any proposed material change, the timing and the content of the change. VISTA will publish the proposed material methodology changes along with a clear timeframe to allow users to provide feedback. Summary comments and VISTA’s responses will be made available upon request during each consultation period, except where the commenter has requested confidentiality.

## 12.2 Changes to Methodology Procedures

Prior to making any change to the Methodology Used for a Vista Benchmark:

- The Oversight Committee will review the proposed and implemented change for compliance with the IOSCO Principles and this Code of Conduct and authorize or request VISTA to undertake a consultation with Stakeholders where known or its Subscribers on such changes as per Principle 12 (*Changes to the Methodology*).
- The Index Documentation for the Benchmark will be revised and published in accordance with Principal 11 (*Content of the Methodology*).

**IOSCO Principle 13** (Transition) of IOSCO's Principles for Benchmarks states that Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure changes, product definition change, or any other condition which makes the Benchmark no longer representative of the 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 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. These written policies and procedures should be Published or Made Available to all Stakeholders.

## 13.1 Transition Policy

In the event of a possible cessation of a Vista Benchmark and to the extent it is practicable, VISTA will attempt to select or create a credible, alternative benchmark that seeks to match the existing benchmark characteristics. The possible criteria to determine the practicability and quality of a matching alternative to the existing benchmark will be based as closely as possible on the existing methodology, selection criteria, historical performance characteristics and correlation of the alternative to the existing index.

VISTA will invite market participants, stakeholders and relevant Regulatory Authorities, to participate in a consultation process to assess the seriousness of the issues, to collect feedback and concerns on the selection process of an alternative benchmark and on the end users' mitigating plans.

In the event an alternative cannot be identified and the continuation of the Vista Benchmark is not possible or meaningful, VISTA will discontinue the administration and maintenance of that specific Vista Benchmark completely.

VISTA will aim to announce cessation of a Vista Benchmark to all market participants at least three (3) months prior to the effective date or as soon as practically possible. In case of an event that requires an immediate cessation of Vista Benchmark, VISTA will announce a timetable detailing the schedule of dates and events regarding the cessation of the Benchmark as soon as possible.

## 13.2 Transition Procedures

- Prior to termination of an existing Benchmark, VISTA will conduct the consultation contemplated by Principle 13 (*Transition*) and submit a report on the proposed Transition to the Oversight Committee.
- The Oversight Committee will review and approve the procedures for termination of the Benchmark as detailed in the above policy and will oversee the proposed Transition.

**IOSCO Principle 14** (Submitter Code of Conduct) of IOSCO’s Principles for Benchmarks states that where a Benchmark is based on Submissions, the following also applies:

The Administrator should develop guidelines for Submitters, which should also be available to any relevant Regulatory Authorities, if any, and Published or Made Available to Stakeholders.

The Administrator should only use inputs or Submission from entities which adhere to the Submitter Code of Conduct and the Administrator should appropriately monitor and record adherence from Submitters. The Administrator should confirm adherence to the Submitter Code of Conduct annual and whenever a change to the Submitter Code of Conduct has occurred.

The Administrator’s oversight function should be responsible for the continuing review and oversight of the Submitter Code of Conduct.

#### **14.1 Submitter Code of Conduct Policy, if Used in the Benchmark**

VISTA has determined that all source input data is readily available in the market and provided to the marketplace as a matter for routine. In the instance of reported transactions, VISTA relies upon the Trade Reporting and Compliance Engine (TRACE), a regulated reporting mechanism managed by the Financial Industry Regulatory Agency (FINRA). In the instance of inputs sourced from banks, VISTA relies upon substantially the same data banks provide to the market on an ongoing basis. In the instance of reported credit event, VISTA relies on data provided by an authorized distributor of loan performance data as provided to the market on an ongoing basis. As a result, VISTA does not require a Submitter Code of Conduct as the source inputs do fall under the definition of Submitters.

#### **14.2 Submitter Code of Conduct Procedures, if Used in the Benchmark**

- VISTA will review on a periodic basis the need to require a Submitter Code on Conduct based on the availability of the input data it uses and its pricing methodologies.

**IOSCO Principle 15** (Internal Controls Over Data Collection) of IOSCO’s Principles for Benchmarks states that 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.

#### **15.1 Internal Controls Over Data Collection Policy Including Third Party Oversight:**

VISTA maintains appropriate internal controls over its data collection and transmission processes. These controls address the process for selecting sources where applicable, maintaining reasonable oversight of third-party computations where applicable, collecting the data and protecting the integrity and confidentiality of the data. Wherever operationally possible, the data is imported automatically and import timestamp, location and identity of the person(s) or organizations involved in the process are being recorded. For more manual processes, operational steps are documented in VISTA’s operational documentation detailing additional procedures and oversight in place.

#### **15.2 Internal Controls Over Data Collection Procedures**

- Prior to offering a new Benchmark or for any changes to existing benchmark, VISTA will review any additional data input collection and ensure alignment with the above policy
- Vista Index’s Compliance Department will conduct an annual audit of the Internal Controls for each Vista Benchmark for compliance with IOSCO Principle 15 (*Internal Control Over Data Collection*).
- The Oversight Committee will also review the results of the annual audit of the internal controls for each Benchmark as part of its periodic review conducted in accordance with IOSCO Principle 10 (*Periodic Review*).

## ACCOUNTABILITY

**IOSCO Principle 16** (Complaints Procedures) of IOSCO’s Principles for Benchmarks states that the Administrator should establish and Publish or Make Available a written complaint procedure policy, by which Stakeholders can 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.

### 16.1 Complaints Policy

VISTA maintains written complaints procedures for all Vista Benchmarks as set forth below. The policy will:

- Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;
- Contain procedures for receiving and investigating a complaint made about VISTA’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;
- Contain a process for escalating complaints, as appropriate, to the Benchmark Oversight Committee; and
- Require all documents relating to a complaint, including those submitted by the complainant as well as VISTA’s own records, to be retained for a minimum of five years, subject to other applicable national legal or regulatory requirements.

### 16.2 Complaints Procedures

#### 16.2.1 Complaint Submissions

VISTA maintains a process for complaints to be submitted electronically or by mail. Complaints will be able to be submitted electronically by sending an email to: [complaints@vistacap.com](mailto:complaints@vistacap.com). Complaints to be submitted by mail should be sent to:

Compliance Department  
 C/O Vista Index Services  
 16 York Road  
 Larchmont, NY 10538

Each complaint must contain sufficient information to facilitate a review by Vista Index.

#### 16.2.2 Receipt, Investigation and Escalation

All complaints will be transmitted to Vista Index’s Legal and Compliance Departments for review. The Compliance Department will promptly acknowledge the complaint, conduct an investigation, and make an appropriate recommendation to VISTA to resolve the complaint based on its findings. VISTA will report all complaints and resolutions to the Oversight Committee.

### **16.2.3 Record Retention**

All documents relating to a complaint, including those submitted by the complainant as well as VISTA’s own records, will be retained for a minimum of five years.

**IOSCO Principle 17** (Audits) of IOSCO’s Principles for Benchmarks states that 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.

### **17.1 Audit Policy**

Vista Index’s Compliance Department will:

- Periodically test each VISTA’s adherence to (1) the Principles, and (2) its stated Methodology; and
- Submit to the Oversight Committee a report summarizing the test results, any significant identified exceptions, and any additional or amended policies and procedures created in response to the test results.

### **17.2 Audit Procedures**

Vista Index’s Compliance Department will conduct a periodic audit of VISTA in accordance with IOSCO Principle 17 (*Audits*) and submit a report on VISTA’s adherence to (1) the Principles, and (2) its stated Methodology to the Oversight Committee for its review.

**IOSCO Principle 18** (Audit Trail) of IOSCO’s Principles for Benchmarks states that written records should be retained by the Administrator for five years, subject to the applicable national legal or regulatory requirements.

### **18.1 Administrator’s Audit Trail**

VISTA will retain written records used in connection with Benchmark Administration for five years, subject to applicable national legal or regulatory requirements on:

- All market data, Submissions and any other data and information sources relied upon for Benchmark determination;
- The exercise of Expert Judgment, if any, made by VISTA in reaching a Benchmark determination;
- Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;
- The identity of each person or organization involved in producing a Benchmark determination; and
- Any queries and response related to data inputs.

VISTA's procedures state an audit of VISTA's compliance with IOSCO Principle 18 (*Audit Trail*) will be performed as part of the periodic audit to be conducted in accordance with IOSCO Principle 17 (*Audits*).

**IOSCO Principle 19** (Cooperation with Regulatory Authorities) of IOSCO's Principles for Benchmarks states that relevant documents, Audit Trails and other documents subject to these Principles be made readily available by the relevant parties to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.

## 19.1 Cooperation with Regulatory Authorities

VISTA will make available relevant documents, audit trails and other documents subject to these Principles readily available to the relevant Regulatory Authorities carrying out their regulatory or supervisory duties and handed over promptly upon request subject to applicable national legal or regulatory requirements.

### DEFINED TERMS

**Administration:** Includes all stages and processes involved in the production and dissemination of a Benchmark, including:

- a) Collecting, analyzing and/or processing information or expressions of opinion for the purposes of the determination of a Benchmark;
- b) Determining a Benchmark through the application of a formula or another method of calculating the information or expressions of opinions provided for that purpose; and
- c) Dissemination to users, including any review, adjustment and modification to this process.

**Administrator:** An organization or legal person that controls the creation and operation of the Benchmark Administration process, whether or not it owns the intellectual property relating to the Benchmark. In particular, it has responsibility for all stages of the Benchmark Administration process, including:

- a) The calculation of the Benchmark;
- b) Determining and applying the Benchmark Methodology; and
- c) Disseminating the Benchmark.

**Arm's-length Transaction:** A transaction between two parties that is concluded on terms that are not influenced by a conflict of interest (e.g., conflicts of interest that arise from a relationship such as a transaction between affiliates).

**Audit Trail:** For the purposes of the Benchmark-setting process, the documentation and retention of all relevant data, Submissions, other information, judgments (including the rationale for any exclusions of data), analyses and identities of Submitters used in the Benchmark-setting process for an appropriate period.

**Benchmark:** The Benchmarks in scope of this Assessment Methodology are prices, estimates, rates, indices or values that are:

- a) Made available to users, whether free of charge or for payment;
- b) Calculated periodically, entirely or partially by the application of a formula or another method of calculation to, or an assessment of, the value of one or more underlying Interests;
- c) Used for reference for purposes that include one or more of the following:
  - determining the interest payable, or other sums due, under loan agreements or under other financial contracts or instruments;



- determining the price at which a financial instrument may be bought or sold or traded or redeemed, or the value of a financial instrument; and/or
- measuring the performance of a financial instrument.

**Expert Judgment if Used in a Benchmark:** Refers to the exercise of discretion by an Administrator or Submitter with respect to the use of data in determining a Benchmark. Expert Judgment includes extrapolating values from prior or related transactions, adjusting values for factors that might 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.

**Market Authority:** A Regulatory Authority, a Self-Regulatory Organization, a Regulated Market or Exchange, or a clearing organization (as the context requires).

**Market Participants:** Legal entities involved in the production, structuring, use or trading of financial contracts or financial instruments used to inform the Benchmark, or which reference the Benchmark.

**Methodology:** The written rules and procedures according to which information is collected and the Benchmark is determined.

**Publish or Make Available:** Refers to the expectation that a party such as an Administrator should provide a document or notice to Stakeholders. The means by which such notice is made should be proportionate to the breadth and depth of Benchmark use by Stakeholders, as determined by the Administrator on a “best efforts” basis. Ordinarily, posting a document or notice on the Administrator’s website will meet this expectation.

**Regulated Market or Exchange:** A market or exchange that is regulated and/or supervised by a Regulatory Authority.

**Regulatory Authority:** A governmental or statutory body (not being a Self-Regulatory Organization) with responsibility for securities and/or commodities and futures regulation.

**Stakeholder:** Refers to Subscribers and other persons or entities who own contracts or financial instruments that reference a Benchmark.

**Submission(s) if Used in a Benchmark:** Prices, estimates, values, rates or other information that is provided by a Submitter to an Administrator for the purposes of determining a Benchmark. This excludes data sourced from Regulated Markets or Exchanges with mandatory post-trade transparency requirements.

**Submitter if Used in a Benchmark:** A legal person providing information to an Administrator or calculation agent required in connection with the determination of a Benchmark.

**Subscriber:** A person or entity that purchases Benchmark determination services from an Administrator.

*January 2023*