



Natixis Indices

Cessation or Change Procedure

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Public document

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1. Introduction

Natixis acts as administrator for non-significant benchmarks, as defined in Article 3 (27) of the Benchmarks Regulation.

The present procedure is published in compliance with Article 28 of the Benchmarks Regulation which requires a benchmark administrator to publish, together with the Benchmark Statement required under Article 27 of the Benchmarks Regulation, a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark which may be used in the European Union.

Unless otherwise defined herein, defined terms shall have the meaning set out in the "General Index Rules for Indices Administered by Natixis" published on the Index Administrator Website.

The following procedure shall apply to any Index administered by Natixis.

2. Requirements

Article 28(1) of the Benchmarks Regulation requires a *"procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark which may be used in the Union in accordance with Article 29(1)"*.

Article 29(1) of the Benchmarks Regulation states that: *"A supervised entity may use a benchmark or a combination of benchmarks in the Union if the benchmark is provided by an administrator located in the Union and included in the register referred to in Article 36 or is a benchmark which is included in the register referred to in Article 36."*

Article 13(1)(c) of the Benchmarks Regulation states that: *"An administrator shall develop, operate and administer the benchmark and methodology transparently. To that end, the administrator shall publish or make available the following information: (...)"*

(c) the procedures for consulting on any proposed material change in the administrator's methodology and the rationale for such changes, including a definition of what constitutes a material change and the circumstances in which the administrator is to notify users of any such changes."

3. Grounds for cessation or change to the methodology of an Index

The methodology of any Index is determined once, at the time of its creation and later change is generally not anticipated.

However, as part of any review of an Index methodology as described in the Terms of Reference of the Natixis Index Committee, a change to the methodology of such Index or its cessation may be necessary.

Any decision regarding the change to the methodology of any Index or its cessation is taken by the Natixis Index Committee in accordance with the Terms of Reference of the Natixis Index Committee, which shall assess the situation and initiate appropriate actions.

The following or their combination and variants may be a ground for the change to the methodology or the cessation of an Index:

- change of the underlying market since the launch of an Index;
- obsolete assumptions and/or factors used for the building of an Index;
- change or waning of the underlying interest which the Index represents;
- inadequate supply of data, quotes, or need expert judgement following the above-mentioned inadequate supply of data or quotes;
- data supply being of poor quality;
- insufficient number of clients using an Index;

- insufficient revenues linked to an Index;
- insufficient number of eligible components available for inclusion in an Index; and
- cessation or withdrawal of the relevant market activity due to regulatory requirements.

The following events may also lead to the cessation of an Index:

- the occurrence of an Index adjustment event for which Natixis is unable to make the adjustments necessary to account for such event based on the Index Rules;
- the termination of any licensing arrangements in respect of the use of third-party indices.

4. Steps for cessation of an Index

Details of any proposed cessation of any Index shall be reviewed and agreed by the Natixis Index Committee in accordance with the Terms of Reference of the Natixis Index Committee. The Natixis Index Committee shall monitor the process leading to the cessation of any Index.

The latter shall take into account the timing of the cessation, including the length of any notice period, whether any transitional measures shall be implemented, and the current amount of financial instruments referencing the relevant Index.

Following a decision to cease an Index, a number of steps will be followed by Natixis to facilitate Index users' transition to alternative indices, including:

- identification of users of the Index;
- vendor/client notice;
- follow up vendor/client notices;
- final notice issued to confirm that the Index has been ceased.

5. Steps for any change to the methodology of an Index

Details of any proposed change to the methodology of any Index shall be reviewed and agreed by the Natixis Index Committee.

A clear distinction is made between non-material and material changes to the methodology of an Index by the Natixis Index Committee.

In the case of any change to the Index methodology, the Natixis Index Committee shall decide whether such change is material or not.

Non-material changes mean changes which, in the opinion of the Natixis Index Committee, do not affect the core features of an Index such as minor changes to the methodology documents or changes to the adjustment periods.

If a change is deemed to be non-material, such change will lead to the update of the relevant Index documentation (Specific Index Rules, Benchmark Statement).

Material changes mean changes to an Index methodology that, in the opinion of the Natixis Index Committee, may significantly affect the integrity of the Index and its evolution over time, such as its number of components, minimal liquidity requirements, or the qualitative selection of components.

If a change is deemed to be material, Natixis will initiate a public consultation process. Natixis will publish on the Index Administrator Website a public announcement of market consultation.

This document shall contain sufficient information, enabling stakeholders to assess the impact of the proposed changes including:

- a description of the proposed material changes to an Index methodology, the rationale for such change and its expected main impact;
- the name(s), ISIN(s) and Bloomberg codes of the relevant Index;
- the email address to which any response should be sent;
- the length of the consultation period and the deadline for submission of responses allowing stakeholders to analyze and comment on the impact of the proposed changes, based on Natixis assessment; and
- the proposed date for adoption of the proposed material changes to an Index methodology.

At the end of the consultation period, the Natixis Index Committee will review the stakeholders' comments, and will decide the appropriate course of action and how it should be reflected in the relevant documentation.

Natixis may make available a summary of the stakeholders' comments and Natixis' responses to those comments except where confidentiality has been requested by the originator of the comments.

The proposed change will be implemented as of the next Rebalancing Date. However, in urgent cases, immediate implementation may be necessary.

6. Timing and notice

Following a decision by the Natixis Index Committee (i) to make a material change to any Index methodology following the consultation process described above or (ii) to cease to publish or make available to the public any Index, a notice announcing the relevant change or cessation (the **Notice**) will be published on the Index Administrator Website prior to the date on which any material change to methodology shall become effective or the date on which the relevant Index will cease to be published or made available to the public (the **Implementation Date**).

The timing of such Notice shall take into consideration, notably, the urgency, if any, of changing the methodology or ceasing the Index,

the length of the notice period to allow stakeholders to identify and put in place alternative arrangements, as well as the maturity date or termination date of any financial instruments referencing the relevant Index.

The Notice will specify the details of any material change to methodology or the cessation process, including the Implementation Date, in a timely manner and will provide for an implementation period that allows sufficient time for potential adjustments users of any Index may need to account for such change or cessation.

Any Notice shall be published by Natixis at least 5 business days prior to the Implementation Date. However, in urgent cases, immediate implementation may be necessary.

7. Periodic review

This “Natixis Indices Cessation or Change Procedure” will be reviewed annually by the Natixis Supervisory Committee and published on the Index Administrator Website.

8. Disclaimer

Natixis makes no warranty, expressed or implied, including, without limitation, any warranties as to the fitness for a particular purpose, accuracy, or completeness and shall not in any way be liable for any inaccuracies, errors or omissions herein.

Any unauthorized use, disclosure, reproduction or dissemination, in full or in part, in any media or by any means, without the prior written permission of Natixis is strictly prohibited.

Natixis maintains long-term records (at least 5 years) of all information related to the above-mentioned documents.