



## Index Governance Charter

### Authority and Purpose

Index Governance (“IG”) is responsible for the governance of all VettaFi index products. IG is managed by the Head of Index Governance who is accountable to the President of VettaFi. Index Governance is responsible for ensuring that indices are fit for purpose, comply with regulatory requirements, and have appropriate operational controls. It is also responsible for setting policy and procedures that safeguard the confidentiality of material non-public index information. Additionally, Index Governance has oversight of the index production function.

### Index Committee

Index Governance establishes an Index Committee (“IC”) that is delegated with responsibility for the Index Governance function. The IC makes decisions regarding the methodology, creation, termination, and operation of all indices. The IC may delegate functions to sub-committees with their own charters.

### Committee Members

Committee members have diverse roles and backgrounds in financial markets, funds, and the index business. Their diverse roles and backgrounds ensure that indexes are examined from multiple perspectives and are subject to critical oversight. The committee includes voting and non-voting members. The voting members are charged with oversight while the non-voting members contribute product and operational expertise.

Members are nominated by the Head of Index Governance or the Index Chair and approved by Committee vote.

Members may resign at any time. They also may be removed at the request of the Head of Index Governance or the Index Chair. A majority of the voting members may request the removal of a member if they believe it is in the best interests of the Committee.

Additionally, the Head of Index Governance may propose the removal or replacement of members to further the best interests or smooth operation of the Index Committee.

Information regarding the number of committee members and their qualifications will be made available upon request.

Committee members take it upon themselves to be informed on issues and risks concerning VettaFi indexes (e.g., via training or knowledge sharing) and matters that come before the committee. It is the responsibility of a member to recuse himself if they are not sufficiently knowledgeable to participate in a Committee vote or decision.

Members agree to be bound by this charter, to review it annually, and to annually affirm their acceptance and compliance.

### Responsibilities of the Index Committee

The Index Committee oversees the methodology, issuance, operation, and compliance of all indices. Its responsibilities include:

Approving the methodology, creation, and publication of new indices.

Establishing policies and procedures for index maintenance and rebalances.

Establishing policies and procedures to address the need for termination of an index.

Approving the termination of indices and compliance with its established index termination policies.

Establishing guidelines for reviewing indices and their methodologies periodically to ensure that they remain fit for purpose.

Managing and approving methodology and operational changes made to ensure that the index meets its objectives. These changes may be necessary due to design issues, market changes, and capacity constraints.

Establishing guidelines for the requirement to conduct a consultation.

Conducting consultations as needed on methodology or operational questions.

Establishing policies and procedures for the exercise of Expert Judgement.

Exercising and reviewing applications of Expert Judgement.

Establishing policies and procedures to manage Conflicts of Interest.

Periodically reviewing policies and procedures are in place for the operation and publication of its indices including oversight of 3<sup>rd</sup> parties.

Periodically commission external reviews of its indexes.

Consider the results of internal and external audits and follow up on the implementation of remedial actions highlighted in the results of these audits.

#### Committee Structure

An Index Committee (“IC”) will be formed with an Index Chair and a minimum of three voting members. The Index Chair will be appointed by the Head of Index Governance who may also appoint himself as the Index Chair. IC members, voting and non-voting, will be appointed by the Index Chair. The Index Chair will also designate one member to serve as Meeting Secretary for all committee business.

The IC may also appoint non-voting members to the IC. Additionally, the IC may invite non- members to present to the IC. Non-members may not partake or be present during IC votes.

The Index Chair may also be a voting member. IC decisions require a quorum of three voting members. IC decisions will be based on a majority vote. Members may vote for, against, or abstain from a vote. In the event of a tie vote, the Index Chair will make the final decision.

Voting members may recuse themselves or be recused by the Index Chair from voting based on a perceived or potential conflict of interest. The Index Chair may appoint a substitute member, including himself where applicable to vote in their stead.

In situations where in the opinion of the Index Chair a committee decision is needed urgently and a quorum does not exist a vote may be conducted using just the available voting members. If voting members are not available a decision may be made by the Index Chair. Any decisions made without a quorum will be reviewed and confirmed by the IC with a quorum within a reasonable time. The Index Chair may appoint an alternate Chair to take the Index Chair's place when the Index Chair is not available.

#### Committee Meetings and Votes

The Index Committee meets at a minimum on a quarterly basis. Committee meetings and votes may be in person, virtually, or via email.

#### Meeting Records

The Committee Secretary will record committee membership, minutes, votes, and distribute and preserve meeting materials. Additionally, the Secretary will note the circumstances relevant to any voting exceptions and steps taken to manage conflicts of interest. The secretary will also be responsible for archiving committee results and documents. Additionally, the secretary will be responsible for storing the results of consultations and any related committee documentation. The secretary may delegate the performance of these functions.

#### Confidentiality

Prior to their becoming public, committee decisions are confidential and may only be shared with parties and individuals involved in managing the Index Business. All parties with knowledge of non-public information have a responsibility to maintain their confidentiality.

Committee decisions, when made public, may not be selectively disclosed.

#### Compliance and Complaints

Policies and procedures have been established to facilitate and monitor compliance with this Charter and applicable regulations. Additionally, there is a public complaint process and all complaints relevant to indices meeting their obligations and their resolutions will be addressed and archived.

There will be a periodic compliance assessment as well as an assessment of any potential conflicts of interest.

#### Records Storage

A policy for records storage is maintained based upon the material being saved, applicable law, licensing issues, and storage requirements. Records and Index data are archived for a minimum of 5 years. Record storage includes implementation of backup and disaster recovery.

#### Review:

Version		1.1.2
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Review Date	Completed	Reviewed By
June 2023	Yes	Index Governance and Index Committee
June 2024	Yes	Index Governance and Index Committee
June 2025		

Changes:

Version	Date	Author/Editor	Summary of Change
1.0.0	Jan 2023	Moshe Greenberg	Policy Creation
1.1.0	June 2023	Moshe Greenberg	Minor edits and IC member responsibility to be knowledgeable and informed on voting items.
1.1.2	June 2023	Moshe Greenberg	Minor Edits
1.1.3	June 2024	Moshe Greenberg	Replaced "CEO" with "President"