

Term CORRA Oversight Committee Mandate

Purpose

The Term CORRA Oversight Committee will comprise of industry experts internal and external to CanDeal Benchmark Administration Services Inc. (the “DBA”), who are not members of the DBA Board of Directors¹ and who provide independent unbiased oversight to the DBA of Term CORRA². The Committee members are accountable for challenging the DBA across all aspects of Term CORRA’s administration process in order to ensure its compliance with the applicable regulatory requirements including, but not limited to, Multilateral Instrument 25-102, Designated Benchmarks and Benchmark Administrators (MI 25-102).

Scope

This Oversight Committee Mandate applies to 1-Month Term CORRA and 3-Month Term CORRA (“**Term CORRA**”) which is administered by the DBA.

Oversight Committee Mandate

- 1.1 Provide general oversight to the management and operations of the DBA, including the DBA’s Control Framework.³
- 1.2 Review the Term CORRA Methodology at least once annually to ensure the continued integrity of Term CORRA. The Oversight Committee will also review any changes to Term CORRA’s Methodology prior to such change taking effect. Where appropriate, the Oversight Committee may request the DBA to consult with the public on material changes to the Term CORRA Methodology.⁴
- 1.3 Review and approve cessation policies and consultations on cessation of the Term CORRA.⁵
- 1.4 Oversee any outsourcing arrangements, including persons or companies, related to the DBA.⁶
- 1.5 Assess any reports resulting from internal reviews or audits, external audits or public accountant’s limited assurance reports on compliance. Where applicable, make

¹ MI 25-102, s. 7(3)

² Id., s. 7(2)

³ Id., s. 7(8)(c)

⁴ Id., s. 7(8)(a) and Id., s. 7(8)(b)

⁵ Id., s. 7(8)(d)

⁶ Id., s. 7(8)(e)



recommendations with respect to any remedial actions needed as a result of such reports, and oversee the implementation of such activities.⁷

- 1.6 review and, when deemed appropriate, prepare written recommendations on the applicable documents for any of the following actions before they are implemented by the DBA:
 - a. any change to the license fees or license fee arrangements in respect of Term CORRA,
 - b. any amendments to any collaboration agreement between TSX Inc. (or any affiliate of TSX Inc.) and CBAS,
 - c. any amendments to an agreement between CBAS and an affiliate of CBAS, and
 - d. any change to the use cases for Term CORRA;
- 1.7 Assess and act on general issues and risks related to Term CORRA escalated, as appropriate, to the Oversight Committee by the DBA and where appropriate, escalate these items, including any related recommendations, to the DBA Board for further discussion and review.⁸
- 1.8 Meet at least once every four months.⁹
- 1.9 Review all meeting materials, including presentations and reports, in advance of each Oversight Committee meeting. The DBA will prepare meeting materials and send them to the Oversight Committee members for review prior to a scheduled meeting.
- 1.10 Review minutes of each Oversight Committee meeting prepared by the DBA for the Oversight Committee's approval at the beginning of each meeting. Once approved, meeting minutes will be published on the DBA's website.¹⁰
- 1.11 Record in its meeting minutes any awareness related to a DBA Board member who has acted or intends to act in contravention of a decision or recommendation made by the Oversight Committee.¹¹
- 1.12 Report to the regulators any awareness of significant misconduct performed by the DBA in relation to administering Term CORRA or as it relates to the input data.¹²
- 1.13 Each member of the Oversight Committee must carry out its duties with integrity and disclose in writing any potential conflicts of interest related to the oversight of the DBA and Term CORRA.¹³ Such conflicts will be published on the DBA website for public access.¹⁴

⁷ Id., s. 7(8)(f) and Id., s. 7(8)(g)

⁸ Id., s. 7(4)

⁹ Id., s. 35(3)(b)

¹⁰ Id., s. 7(8)(h)

¹¹ Id., s. 7(9)

¹² Id., s. 7(10)

¹³ Id., s. 7(11) and Id., s. 7(12)

¹⁴ Id., s. 35(3)(a)



- 1.14 Members of the Oversight Committee will not enter into a relationship with the DBA that may interfere with the member's judgement.¹⁵

Oversight Committee Membership

2.1 Composition

The DBA will consider the factors below when deciding the composition of the Oversight Committee so that the members together shall have the skills and expertise appropriate to the oversight of the provision of the benchmark and to the responsibilities that the Oversight Committee is required to fulfill. The members of the Oversight Committee, taken together as a whole will:

- a. have appropriate knowledge of the underlying market or economic reality that the benchmark seeks to measure.
- b. have relevant expertise and skills, in a function relevant to the determination of the benchmark such as market expertise, control and risk expertise, operational expertise, benchmark and regulation expertise, general financial market expertise, or legal and compliance expertise.
- c. confirm that they can meet the time commitments required.

The Oversight Committee will include a minimum of 5 members. At least half of the members of the Oversight Committee will be external to the DBA and its affiliates and will represent Term CORRA users, market infrastructure providers and other industry experts.¹⁶ A quorum for the purposes of voting on any action items shall represent the simple majority votes of the Oversight Committee members.

2.2 Conduct of meetings and decision-making

For the sake of efficiency of meetings, committee members are expected to have read the meeting materials and to be prepared for the committee discussion with, at most, the key points or questions requiring to be highlighted by the chair or DBA at the meeting.

Should there be a Committee vote on any matter, each committee member shall have one vote and decisions of the Committee shall be made by a simple majority. Should the numbers of votes cast for and against be equal, the chair of the Committee may exercise a deciding vote.

- 2.3 **Appointment:** Oversight Committee members will be nominated by the DBA and appointed by the DBA Board.¹⁷ The DBA Board of Directors will vote on any nominated Oversight Committee

¹⁵ Id., s. 35(2)(c)

¹⁶ Id., s. 35(2)

¹⁷ Id., s. 7(6)



members. If the DBA Board voted in favour (by simple majority), the proposed member will be asked to sign an appointment letter (and shall only become a member once that appointment letter is signed).

- 2.4 **Appointment Letter:** Each member must sign an appointment letter and consent to the Oversight Committee Mandate.
- 2.5 **Resignation:** Members may resign by giving a minimum of four weeks' written notice to the DBA.
- 2.6 **Inactivity:** Members of the Oversight Committee may have their membership suspended by the DBA Board in the event of their inability to participate in the Oversight Committee for a period of time, such as where the member is on long-term leave (including but not limited to sickness or family leave). Such suspension may include an automatic reinstatement at the end of that period.
- 2.7 **Removal:** Members of the Oversight Committee can be removed by the DBA Board.
- 2.8 **Replacement:** Where a member resigns or is removed, a replacement may be appointed, at the discretion of the DBA Board
- 2.9 **Chair:** The DBA may nominate an individual for the position of the Chair of the Oversight Committee (the "Chair"). The DBA Board will vote (by simple majority) on the Oversight Committee Chair. This position will only be filled once the majority vote is in favour of the nominated individual and an Appointment Letter has been signed by the appointed Chair. The Chair's primary function shall be to effectively lead all Oversight Committee meetings and ensure its members carry out its mandate with integrity. The Chair may also work with the DBA prior to an Oversight Committee meeting to define the agenda and required meeting materials in preparation for the meeting. The Chair will have final approval rights on any material drafted by the Oversight Committee for the DBA Board's or Regulatory body's attention. The Chair shall be entitled to participate in all matters voted on by the Oversight Committee.
- 2.10 **Communication:** Nominations, votes and ratification of new members can be done in writing or by way of a DBA Board meeting.
- 2.11 **Term:** Each appointed member will be committed to a term of two years
- 2.12 **Extension:** At the discretion of the DBA Board, a member's two-year Term may be extended by signing a new appointment letter with the DBA.
- 2.13 **Non-Voting Members and Observers:** Representatives of the management body of the DBA shall not be voting members of the Oversight Committee but may be invited to attend meetings, by the Oversight Committee, in a non-voting capacity. Observers of the Oversight Committee



shall be those who the DBA determines have a relevant interest in the determination, oversight or use of the benchmark.

Conflicts of Interest

Details of the Oversight Committee members, along with declarations of conflicts of interest of Oversight Committee members and any measures to mitigate them may be made public.

Term CORRA Pricing Decisions

The Oversight Committee has **no authority to make specific Term CORRA pricing decisions**, which are the responsibility of the DBA Board of Directors and management. In the event of an actual or alleged breach of this Mandate: a) by any member, the Chair may recommend to the DBA Board the removal of the member; b) by the Oversight Committee (acting on a vote of members), the DBA Board may, at its discretion, sanction the offending members with an initial warning, or suspension or removal of membership from the Oversight Committee.

Oversight and review of Procedure

The DBA will periodically audit and monitor compliance with this Mandate as necessary and appropriate. This Mandate is to be reviewed by the committee, as needed, but at least annually.