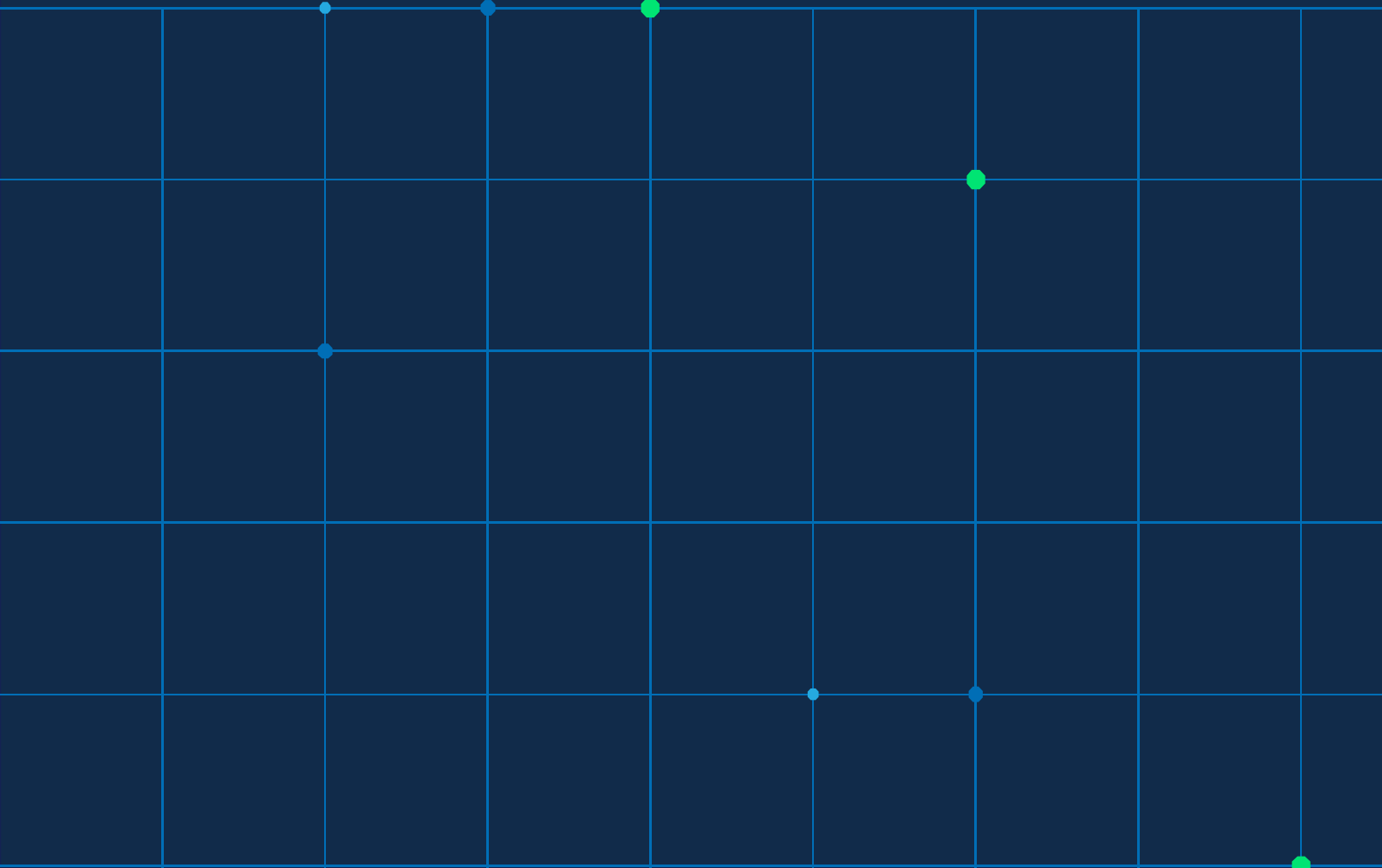


Term SOFR Oversight Committee

Oversight Committee meeting minutes

CME Group Benchmark Administration Limited

January 20th, 2023



Attendees:

Members:

Harriet Hunnable (HH)	Independent	Present
Robert Merton (RM)	Independent	Present
Sam Priyadarshi (SP)	Independent	Present
Meredith Coffey (MC)	LSTA	Present
Sunil Cutinho (SC)	CME Group – Chief Information Officer	Present
Agha Mirza (AM)	CME Group – Interest Rate Products	Present
Owain Johnson (Chair) (OJ)	CME Group – Research & Product Development	Present

Observers & Guests:

Gavin Lee (GL)	CME Benchmark Administration	Observer
Marya Alsati (MA)	CME Benchmark Administration	Observer
Max Ruscher (MR)	CME Benchmark Administration	Observer

Agenda

1. Introduction
2. Conflicts of interest declaration
3. Prior meeting minutes approval
4. Proposal of new Oversight Committee Member
5. Benchmark Administrator Update
6. Comparison of LIBOR Replacements
7. Interest Rate Markets Update
8. Licensing update
9. Term SOFR Methodology Update
10. Governance Update
11. Items for discussion at next Oversight Committee

1. Introduction

The Chair reminded the Committee Members of the goal of the Committee: to review the integrity of Term SOFR which is administered by CBA (CME Group Benchmark Administration).

The Chair confirmed the meeting was quorate and highlighted that any decisions or voting will be according to a simple majority.

The Chair noted that minutes will be circulated after this meeting and asked attendees not to circulate any information to third parties without the consent of the Administrator.

2. Conflict of Interest declaration

The Chair asked whether Committee members had Conflict of Interest not already disclosed to the Administrator. None were declared.

3. Prior Meeting Minutes

The Chair asked the Committee to approve the Prior Meeting Minutes.

The Committee approved the minutes.

4. Proposal of new Oversight Committee Member

The Chair discussed the resignation from the committee SC, who is stepping down from the committee after the meeting due to changing his responsibilities.

The Chair proposed Udesch Jha as a replacement and asked if any members had objections in inviting Udesch to the next meeting as a member of the committee. No objections were raised.

The Chair thanked SC for his service and wished him all the best.

5. Benchmark Administrator Update

The Administrator thanked SC for all his assistance and guidance.

The Administrator took the committee through the Management Information.

Committee members asked questions and discussed the Management Information, usage of Term SOFR and LIBOR fallbacks.

A Committee member provided an update on the USD loan market and tracking the transition of Legacy contracts as the 30th of June 2023 approached. There were further discussions on fallbacks and the economics involved.

6. Interest Rate Market Update

The Chair asked a Committee Member to provide an interest rate market update.

The Committee Member provided an update covering the macro landscape, recent CVOL volatility levels, CME Fed Watch Tool and the SOFR Futures Market.

The Chair and Committee Members discussed the update.

7. Comparison of LIBOR Replacements

The Chair handed over to the Administrator to provide an overview of the LIBOR Replacements and alternatives to Term SOFR. Committee Members added that Cash Markets were using Term SOFR or SOFR in replacement of LIBOR and that US legislation from Federal Reserve Board named SOFR and Term SOFR directly.

8. Licensing update

The Administrator took the committee through the current licensing status.

9. Term SOFR Methodology update

The Administrator mentioned to the committee that a small change to the methodology is required to list the 2024 early close dates. The Chair asked the Committee to approve. There were no objections.

10. Governance update

The Administrator discussed recent governance updates and regulatory interactions.

11. Items for discussion at next Oversight Committee

The Chair thanked everyone and closed the meeting.