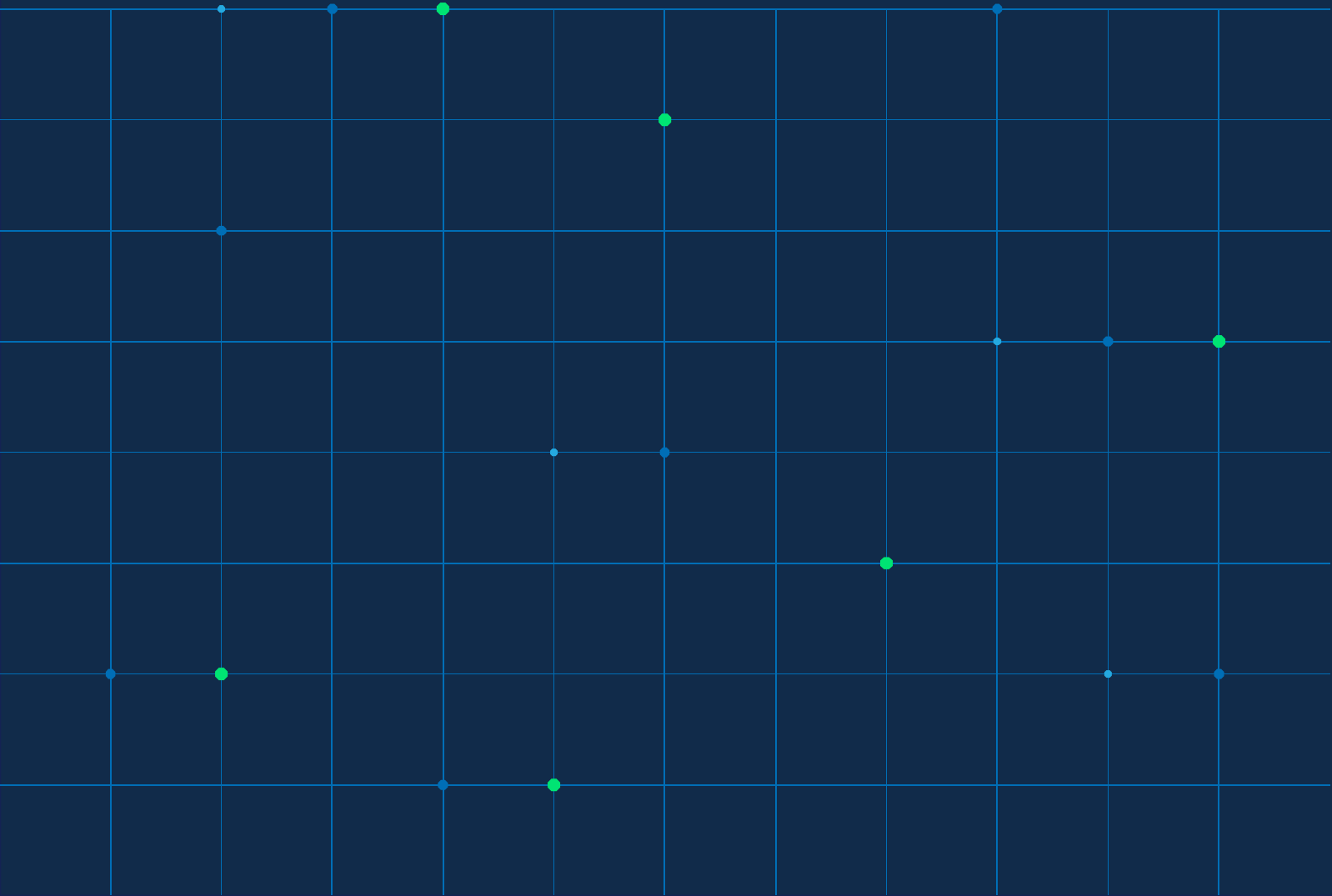


CME Overnight Repo-Backed Benchmarks

Oversight Committee Minutes – Microsoft Teams

CME Group Benchmark Administration Limited

April 6th, 2022



Attendees:

Voting Committee Members:

- John Edwards (JE) – Chair
- Oliver Clark (OC)
- Kiyomi Saito (KS)

Non-Voting Committee Members:

- Vincenzo Albano (VA)
- Graham Stride (GS)

Observers:

- Gavin Lee (GL)
- Joe Dervish (JD)
- Rosalinda Palermo (RP)
- Michael Robb (MR)

Apologies:

- Alex McDonald (AM)

Agenda

- 1 Introduction to the Oversight Committee
- 2 Disclosure of any actual or perceived Conflict of Interest
- 3 Approval of previous Oversight Committee minutes
- 4 Administrator's report:
 - a) RFR Euro Benchmarks
 - b) RFR Sterling
 - c) JBOND
 - d) Overview of Incidents and Events / Validation Checks
 - e) Licensing Policy & Product Distribution
- 5 Legal and Compliance Update
- 6 Item for next Oversight Committee

Minutes:

Introduction to the Oversight Committee & Disclosure of any actual or perceived Conflict of Interest

The Chair opened the oversight committee and explained the aims, purpose and expectations of attendees. The Chair asked that any attendee who has a potential conflict should state it at the start of the meeting. No members noted any conflicts.

Approval of previous Oversight Committee minutes

The Chair asked for approval of the previous Oversight Committee minutes. The minutes were approved unanimously.

Administrator's report

The Chair asked the Administrator to update the committee.

The Administrator presented a set of charts comparing the RFR benchmarks to comparable indices, publicly available, for the period October 2021 to February 2022. The comparison demonstrated that RFR benchmarks are consistent with the underlying markets and their respective trends over key, reporting dates. RFR benchmarks also appear to represent more closely the volatility of secured funding markets.

The Administrator presented a correlation table among RFR Euro and the 10 Eurozone countries, demonstrating a very high level of correlation. The latest observations demonstrate an increased convergence of Eurozone cost of funding.

The Committee asked about the drop in RFR Euro rates at year end.

The Administrator replied that the occurrence was reviewed and the rates were confirmed as correct.

The Chair also stated that this lines up with the trading levels he viewed at year end.

The Administrator presented an ADV (average daily volumes) analysis, showing increased and consolidating ADVs for all benchmarks, confirming the representativeness of the underlying markets.

The Administrator presented the result of the RFR 2021 Consultation, inviting comments to a proposed change in the calculation methodology. The Administrator reported that no objections were recorded. Standing the results of the Consultation, the Administration proceeded to implement the changes, taking effect on 4th April.

The Administrator reported the outcome of the RFR validation checks and the outcome of the reviews.

The Administrator provided an update on use of the benchmark.

Legal and Compliance Update

Compliance reported that the FCA asked all benchmark administrators to respond to a survey on their activity. This is an ongoing requirement part of FCA Supervision. CBA has completed its report and timely submitted to the FCA.

Schedule for next Oversight Committee

No items were suggested for the next Oversight Committee.

The Chair thanked everyone for their comments and attendance and closed the meeting.

