

# Oversight Committee Charter

## Purpose

This Bitcoin Pricing Products Oversight Committee (the “**Oversight Committee**”) has been established jointly by Crypto Facilities Ltd. (“CF”) and Chicago Mercantile Exchange Inc. (“**CME**”). The Oversight Committee has been established as part of the governance arrangements relating to the offering of **Bitcoin Pricing Products**, defined as the CME CF Bitcoin Real Time Index (“**BRTI**”) and the CME CF Bitcoin Reference Rate (“**BRR**”), in order to protect the integrity of the methodology and calculation process and to address potential conflicts of interest. The role of the Oversight Committee is to provide an oversight function to review and provide challenge on all aspects of the methodology and calculation process and provide effective oversight of CF as the administrator of the Bitcoin Pricing Products.

## Membership

- The initial members of the Oversight Committee and its Chairman shall be appointed jointly by CF and CME with terms as specified in their Appointment Letters. Subsequent appointments shall be approved by the Oversight Committee. No individual may serve on the Oversight Committee for more than four consecutive years. The Chairman of the Oversight Committee shall be a CME Member.
- The Oversight Committee shall be comprised of at least five members, including at least:
  - (i) two who are representatives of CME (“**CME Members**”);
  - (ii) one who is a representative of CF (“**CF Member**”); and
  - (iii) two who bring expertise and industry knowledge relating to benchmark determination, issuance and operations.
- Any member of the Oversight Committee may be removed with or without cause jointly by CF and CME. A member may resign by giving at least three business day’s written notice of his or her intention to do so to the Chairman. Upon a resignation or removal, a replacement shall be considered as soon as practicable thereafter.

## Oversight Committee Meetings, Tasks and Authority

### General

- The Oversight Committee shall meet as often as the Chairman determines necessary to carry out its duties and responsibilities but no less frequently than quarterly and keep minutes of its proceedings.

- Meetings may be held in person or telephonically.
- A quorum of the Oversight Committee shall be a majority of its members. A motion shall pass upon approval from a majority of the members present; provided that at least one CME Member and one CF Member is present. Voting may also be conducted outside a meeting via telephone and/or electronic polling of members; provided approval is received by a majority of the current members of the Oversight Committee and by at least one CME Member and one CF Member.

### Responsibilities

- Reviewing on a quarterly basis or more frequently if necessary the determination of the Bitcoin Pricing Products and all other matters relating to such determination, including, without limitation, their:
  - a. Definition;
  - b. Setting;
  - c. Scope;
  - d. Methodology; and
  - e. Distribution.

The Oversight Committee shall be informed of changes to any of the matters set out above and shall approve any substantive changes to matters relating to points (d) and (e).

- Reviewing and ensuring CF maintains appropriate procedures and quality of management information for the monitoring and surveillance of the Bitcoin Pricing Products.
- Authorizing the appropriate response in the event the BRR publishes the prior day’s rate three consecutive times.
- Participating in ongoing education pertaining to the Oversight Committee’s responsibilities, including the material risks and other issues affecting the Bitcoin Pricing Products.
- Assessing the usage and significance of the Bitcoin Pricing Products and ensuring they remain effective and representative.
- Reviewing the Practice Standards for the Bitcoin Pricing Products at least on an annual basis and approving any substantive amendments.
- Reviewing reports on any complaints or concerns regarding the Bitcoin Pricing Products’ relevance, resistance to manipulation, replicability, transparency and/or compliance with the applicable methodology and overseeing the related investigation and remedial actions, if any.

- Reviewing and approving the selection criteria applicable to Bitcoin exchanges that contribute data relating to the Bitcoin Pricing Products (the “**Constituent Exchanges**”), approving the Constituent Exchanges and the process by which relevant submissions are made.
- Approving the removal of any Constituent Exchanges; provided, however, in unusual and extreme circumstances, CF, as the administrator, may take emergency action to remove a Constituent Exchange to preserve the integrity of Bitcoin Pricing in accordance with the Practice Standards.
- Assessing potential conflicts of interest in the functioning and operation of the Bitcoin Pricing Products or any associated governance framework, policy or control process in accordance with the Bitcoin Pricing Products Conflicts of Interest Policy.
- Reviewing the adequacy of the control framework relating to the Bitcoin Pricing Products to assess their compliance with the International Organization of Securities Commissions Principles for Financial Benchmarks.
- Reviewing the results of any audit or other external review of the Bitcoin Pricing Products and providing oversight over the response and remediation efforts, if any, in response to such reviews.
- Reviewing this Charter at least on an annual basis and submitting any recommended changes to CF and CME for approval.

Approved on November 11, 2016