

Governance Code of Conduct (GCC)

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EONIA® GOVERNANCE FRAMEWORK

Governance Code of Conduct

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INTRODUCTION

Eonia[®], the Euro Overnight Index Average, is a short-term interest rate benchmark for the euro. The European Money Markets Institute (EMMI) is its Benchmark Administrator.

The **Eonia[®] Governance Code of Conduct (GCC)** sets out the governance arrangements and control framework established by the Administrator, the selection of Panel Banks, and the general specification and approach for the determination of Eonia[®]. The GCC is part of the overarching **Eonia[®] Governance Framework** (“the Framework”), which specifies the governance and control framework for Eonia[®], including the obligations of parties that play a role in the determination of the benchmark.

The GCC has been drafted reflecting the requirements of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts (EU BMR).¹ As detailed in Article 2(2)(a) of the EU BMR, this Regulation—and as a consequence the GCC—shall not apply to Central Banks.

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investments funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, see <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R1011>

GOVERNANCE AND CONTROL

1. STEERING COMMITTEE

1. The Steering Committee will consist of a minimum of ten Members: one Chairperson, five independent experts with recognized standing and experience in financial markets and four experienced market practitioners directly involved in market operations or who bear direct responsibility in their bank for these activities. If the Steering Committee is composed of less than ten Members, the EMMI Board of Directors will make best efforts to propose to the EMMI General Assembly, without undue delay, the appointment or replacement of Members to bring the composition of the Steering Committee to the established minimum.

Members of the Steering Committee shall be classified as “Members directly or indirectly affiliated to Panel Banks” or “Non-Panel Bank Members”. The composition of the Steering Committee shall be diversified to ensure that “Members directly or indirectly affiliated to Panel Banks” always represent a minority of its membership.

2. The appointment or revocation of Steering Committee Members falls under the exclusive competence of the EMMI General Assembly and requires a majority of two-thirds of the votes.

The selection of potential Steering Committee candidates falls under the competence of the EMMI Secretary General, who shall submit a list of nominations to the EMMI Board of Directors. During the first stage of the selection process, the EMMI Secretary General shall ensure that candidates disclose a list of all their ongoing functions and mandates, together with a list of personal and financial interests related with EONIA, if any, or confirm the absence thereof.

The EMMI Board of Directors shall review the candidates’ qualifications and expertise and shall propose nominations to the EMMI General Assembly. The EMMI General Assembly may also revoke the membership of any Steering Committee Member for the following reasons:

- a. The relevant Competent Regulatory Authority requests the Member’s removal;
- b. The Member gives notice of his or her decision to resign from the Steering Committee;
- c. The Member is incapable of performing the duties of his or her position on account of physical or mental incapacity; or
- d. The Member does not attend more than three consecutive meetings (physical or by conference call).
- e. In the event such a cessation of membership brings the number of Members of the Steering Committee below ten, the concerned Member will remain in service until the vacancy gets filled by the entry into service of a new Member.

3. If a current Member ceases to be a Member for any reason, including revocation of membership, before the expiry of his or her mandate, another Member may be appointed by the EMMI General Assembly.
4. The appointment or revocation of the Chairperson of the Steering Committee falls under the exclusive competence of the EMMI General Assembly and requires a majority of two-thirds of the votes. The Chairperson of the Steering Committee should possess (i) a high degree of expertise in the financial industry, (ii) proven records of integrity, professionalism and independence, and (iii) sufficient time to dedicate to his/her role. The Chairperson has the responsibility of welding a group of capable individuals into an effective Steering Committee team.
5. The Chairperson and other Members have a three-year mandate, which can be renewed only once. To mitigate any potential conflicts of interest², all Members are appointed on a personal basis and must be independent and not subject to instructions from the companies or organisations to which they belong. Accordingly, each Member of the Steering Committee must submit and sign a declaration of interests whereby Members shall declare any relevant interests.
6. The list of members of the Steering Committee will be publicly available, together with their individual biographies and their declarations of interests.
7. The meetings of the Steering Committee are called by the Chairperson, at least on a quarterly basis, and are attended in person or by electronic means (e.g. teleconference and/or video conference). The Steering Committee publishes the minutes of its meetings after approval by its Chairperson and Members. The Steering Committee cannot deliberate and execute its responsibilities, tasks, and rights unless half of its Members are present. The presence of non-Panel Bank Members in a Steering Committee meeting shall be strictly higher than that of Members directly or indirectly affiliated with Panel Banks. The Chairperson may decide to invite one or more persons to participate in the Steering Committee as guests on an *ad hoc* basis or observers to provide their expertise and technical input on specific topics. These representatives shall not have voting capacities.
8. Each Member of the Steering Committee has one vote. Decisions in the Steering Committee will be taken by a simple majority of the votes of the Members present at meetings. In case of a tie vote, the Chairperson has a casting vote. The exclusion or inclusion of a Panel Bank can only be decided if two-thirds of the Members are present or represented at the meeting, and this decision is approved by a qualified majority of two-thirds of the votes. Any Member of the Steering Committee who is prevented from attending a

² For the purpose of this Code “conflict of interest” are defined as follows:

An actual conflict of interest refers to a situation where the impartiality and objectivity of a decision, opinion or recommendation of a body or a person is compromised by a personal interest held by or entrusted to a given individual.

A perceived conflict of interest refers to a situation where the impartiality and objectivity of a decision, opinion or recommendation of a body or a person might be perceived as being compromised by a personal interest held by or entrusted to a given individual, even if in fact there is no such undue influence.

Steering Committee meeting (physically or by conference call) may arrange to be represented by another Steering Committee Member, to whom he or she shall give a written proxy, which may be by fax or email. Each Member of the Steering Committee shall however have no more than one proxy. The number of votes in favour, against and abstentions shall be systematically recorded in the minutes of the meetings.

9. In exceptional circumstances, and whenever urgency and EMMI's corporate interests so justifies, the Steering Committee may resolve by means of written resolution. For a written resolution to be valid, votes must be clearly expressed and decisions taken by a simple majority.

2. TASKS AND RIGHTS OF THE STEERING COMMITTEE

1. The Steering Committee shall promote the implementation of the Eonia[®] Governance Framework, check compliance, monitor its effectiveness and propose changes. The Steering Committee shall also monitor market developments.
2. In particular, the Steering Committee shall carry out at a minimum the following tasks:
 - 2.1. *Regarding Panel Banks' Composition and Selection:*
 - i. To define and review the size and composition of the panel of banks, in order to ensure that the overall panel provides a representative selection of the institutions active in euro money market developments;
 - ii. To monitor the adequacy of the criteria to qualify for and stay on the panel and propose, where necessary, changes to these criteria;
 - iii. To define the procedure for selecting Panel Banks and decide on individual applications and suspension/exclusion of banks from the panel; and
 - iv. To monitor that Panel Banks satisfy the applicable requirements to qualify for and stay on the panel.
 - 2.2. *Regarding the determination/calculation of Eonia[®]:*
 - i. To design and review the benchmark's definition and methodology at least annually and make recommendations to the EMMI General Assembly;
 - ii. To define what constitutes a "material change"³ of the Eonia[®] benchmark, such as changes to the benchmark specification and methodology, to oversee such changes and ensure that stakeholder consultation procedures concerning material changes of the Eonia[®] benchmark are performed in accordance with the *EMMI Benchmarks Consultation Policy*, and to oversee, monitor and approve the implementation of proposed changes;
 - iii. To adopt, review and update the contribution process of Eonia[®];
 - iv. To adopt, review, and update the Eonia[®] Governance Framework documentation;

³ As per the *EMMI Benchmarks Consultation Policy*, material changes are defined as changes to the definition or determination methodology of the benchmark; changes to the maturities in which the benchmark is published and/or changes related to the potential discontinuation of the benchmark, including transition arrangements to a new benchmark, any of which impact the ability of the stakeholder to use the benchmark in the established manner.

- v. To oversee third parties involved in the benchmark provision;
- vi. To ensure the benchmark determination process remains transparent;
- vii. To review and recommend fallback procedures and contingency arrangements in the event that the Eonia[®] benchmark cannot be published, as well as any procedures for the cessation of the benchmark including a consultation as per the *EMMI Benchmarks Consultation Policy*;
- viii. To monitor the input data and contributors and EMMI's actions in challenging or validating contributions of input data; and
- ix. To report to the relevant competent authority any misconduct by contributors, or administrators, of which the Steering Committee becomes aware, and any anomalous or suspicious data.

2.3. *Regarding Conflicts of Interest:*

- i. To adopt, review and update a conflicts of interest policy for the administration of the Eonia[®] benchmark;

2.4. *Regarding controls:*

- i. To address complaints following the procedure described in the *EMMI Complaints Policy*⁴;
- ii. To enforce compliance with the Eonia[®] Governance Framework by adopting the necessary measures and sanctions available concerning any breaches of the Eonia[®] Governance Framework; and
- iii. To assess EMMI's internal and external audits related to the Eonia[®] benchmark governance and design, the integrity of the Eonia[®] benchmark determination and/or the Eonia[®] control framework, and monitor the implementation of recommendations or remedial actions identified in those reviews.

- 3. The Steering Committee may at any time request Panel Banks to provide relevant data and information confirming that their relevant market activities still qualify them for a seat on the panel starting from the date of application of the Eonia[®] Governance Framework.
- 4. The Steering Committee may decide to suspend or remove a bank from the panel if the criteria laid down in Section 7 are no longer met.

⁴ EMMI's *Complaints Policy* can be found on EMMI's website.

5. In carrying out these tasks the Steering Committee is supported by the Secretariat of EMMI and may establish *ad-hoc* working groups and consult with external experts.
6. The Steering Committee will address without undue delay potential failures of compliance with the Eonia[®] Governance Framework and related policies and procedures, including by adopting necessary measures, and, if necessary, will report any irregularities, or misconduct by Panel Banks of which it becomes aware.
7. The Steering Committee shall be the adjudication body with respect to compliance with the Eonia[®] Governance Framework and shall have the right to impose sanctions for violations of the Framework. The adjudication decision and any sanctions imposed shall be recorded in the minutes of the Steering Committee.

3. CONTROL FRAMEWORK

1. EMMI has in place a control framework for the process of determining and publishing Eonia[®] with the objectives of ensuring its compliance with regulatory standards and maintaining the integrity and quality determination of the benchmark.

2. The control framework includes:

a) Management of operational risk

EMMI has in place a comprehensive Risk Management Framework aimed at maintaining robust benchmark operations, financial resources, and reputation for prudent conduct and at effectively identifying, managing, and mitigating its current and emerging risk exposures.

The EMMI Board of Directors is responsible for the oversight of EMMI's overall risk management governance structures and risk management programme.

The Steering Committee, as part of its mission to enforce and oversee the implementation of the Eonia[®] Governance Framework, monitors the management of risks related to the benchmarks administration, calculation, and publication and the implementation of associated mitigating actions. In conjunction with the EMMI Secretariat, the Steering Committee can recommend risk management matters for consideration to the EMMI Board of Directors.

b) Adequate and effective business continuity and disaster recovery plans and contingency procedures in the event of a disruption to the process of the provision of the benchmark

EMMI has developed a Business Continuity and Disaster Recovery Plan ("BCP/DRP") to ensure that EMMI services and operations can be maintained or recovered in a timely manner in the event of a disruption.

EMMI also ensures that third parties involved in the benchmark-setting process have a business continuity and disaster recovery plan in place in order to avoid any disruption in the daily calculation and dissemination of the benchmark.

The Steering Committee adopts fallback arrangements under contingency circumstances. The determination methodology under contingency circumstances is defined in the Eonia[®] Benchmark Determination Methodology (BDM).

3. The Steering Committee oversees the implementation of controls designed to monitor Panel Banks fulfilment of their obligations under the Eonia[®] Code of Obligations of Panel Banks (COPB) and with the applicable standards for input data.

In particular, the Steering Committee requires Panel Banks to confirm adherence to the Eonia[®] Governance Framework, in particular to the respective Code of Obligations of Panel Banks, annually and publish this information. Panel banks are also subject to audit requirements as defined in the Eonia[®] COPB.

3. The Steering Committee ensures that control measures to assess the quality of Eonia® are undertaken and reviews reports on the performance of individual Panel Banks. To carry out the necessary controls (including consistency and plausibility checks) the Steering Committee can request information from Panel Banks, and will ensure confidentiality of all non-public data supplied.
4. The Steering Committee shall review the overall control framework for Eonia®, and update as appropriate, to ensure its continued effectiveness, and share it with relevant stakeholders and competent authorities.

4. CONFLICTS OF INTEREST

1. EMMI has in place a *Conflicts of Interest Policy*⁵, applicable to its Members, Panel Banks, and related parties. The Steering Committee shall promote the knowledge and implementation of the Policy by all parties involved.
2. The Policy contains measures for the identification, avoidance or management, of conflicts of interest and their disclosure and monitoring, as appropriate.
3. The Policy establishes procedures to identify potential conflicts of interest situations to which the Steering Committee, the Panel Banks and the Calculation Agent may be a party, including those:
 - a) within the Steering Committee;
 - b) between the Steering Committee and Panel Banks; or
 - c) between the Panel Banks and the Calculation Agent.
4. The Steering Committee reviews and updates the *EMMI Conflicts of Interest Policy*, as appropriate, to ensure its continued effectiveness, and share it with relevant stakeholders and competent authorities.
5. The Steering Committee liaises with the Conflict of Interest Oversight Committee (CIOC)⁶, established by the EMMI Board of Directors, that is responsible for identifying and managing conflicts of interests at EMMI level (including those within EMMI, between the Steering Committee and EMMI, and between the Calculation Agent and EMMI) to ensure the implementation of the Conflicts of Interest Policy.

⁵ EMMI's *Conflicts of Interest Policy* can be found on EMMI's website.

⁶ The composition, biographies of its members, and a description of the tasks performed by the Conflict of Interest Committee's tasks can be found on: <http://www.emmi-benchmarks.eu/emmi/about-us.html>

5. ACCOUNTABILITY FRAMEWORK

1. EMMI has in place an accountability framework covering record-keeping, auditing and review, complaints and whistleblowing process, in compliance with applicable regulatory requirements.

2. *On Record-keeping:*

EMMI has in place a *Record-keeping Policy*⁷ that establishes the guidelines that govern the retention and appropriate deletion of records related to the administration of EMMI Benchmarks, with the aim to maintain an accessible audit trail for its activities and operations.

The *Record-keeping Policy* defines the retention requirements applicable to EMMI as Benchmark Administrator.

In particular, the Policy requires that:

- a) Each participant in the determination of the EMMI Benchmarks should retain records relevant to their responsibilities within the determination process;
- b) Records should be retained in a medium and format that makes them readily accessible for future reference. Records should be furnished to authorized independent reviewers and competent supervisory authorities in a timely manner upon request;
- c) Records must be retained in such a manner that complies with relevant confidentiality requirements;
- d) Appropriate security measures should be applied so that records cannot be changed or manipulated. EMMI should retain information and records within an environment that is secure, robust, and monitored regularly;
- e) Appropriate back-up facilities and arrangements should be made in order that records may be recovered should primary databases fail or are breached in any way;
- f) Physical and electronic records shall be kept for at least five years. Records of telephone conversation or electronic communications shall be provided to the persons involved in the conversation or communication upon request and shall be kept for a period of three years. Consideration should be given to whether any ongoing or anticipated litigation and/or agreements between EMMI and other parties mandate extensions to these maintenance periods.

Record keeping obligations of the Panel Banks are detailed in the Eonia[®] Code of Obligations for Panel Banks (COPB).

⁷ EMMI's *Record-keeping Policy and Procedure* can be found on EMMI's website.

3. *On Auditing and review:*

EMMI has in place audit arrangements to provide assurance on the effectiveness of the controls in place, taking into consideration EMMI's responsibility as benchmark administrator and the core processes and procedures put in place to discharge those responsibilities.

The Steering Committee shall review EMMI's internal and external audits related to the Eonia[®] benchmark governance and design, the integrity of the Eonia[®] benchmark determination and/or the Eonia[®] control framework, and monitors the implementation of recommendations or remedial actions.

4. *On Complaints:*

The Steering Committee adopts, reviews, and updates arrangements to ensure that complaints mechanisms are effective.

EMMI has in place a *Complaints Policy*⁸ that defines the procedure for receiving, investigating and retaining records concerning complaints made in related to the Eonia[®] determination process.

The *Complaints Policy*:

- a) Permits complaints to be submitted through an electronic submission process, available on the EMMI website⁹;
- b) Contains procedures for receiving and investigating a complaint made about the Eonia[®] determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;
- c) Contains a process for managing complaints, including an escalation process to the Steering Committee of those that are not resolved. Depending on the nature of the complaints and the potential breaches, the Steering Committee may escalate the issue to the EMMI Board of Directors or to competent legal or regulatory authorities, as appropriate; and
- d) Requires all documents relating to a complaint, including those submitted by the complainant as well as the EMMI's own record, to be retained for a minimum of five years.

5. *On Whistleblowing:*

⁸ EMMI's *Complaints Policy and Procedure* can be found on EMMI's website.

⁹ EMMI's Complaints Web Portal : <https://www.emmi-benchmarks.eu/emmi/complaint-form-portal.html>

The Steering Committee adopts, reviews and updates arrangements and procedures to ensure a mechanism for the receipt of reports of breaches and their follow-up (“whistleblowing”) at EMMI, and report to the Steering Committee.

The Whistleblowing Policy:

- a) Permits reporting through an electronic submission process available on EMMI website¹⁰ , on an anonymous basis if necessary, of potentially suspicious or manipulative activity, conflicts of interest situations, or other issues that may affect the integrity of the EMMI benchmarks to the Steering Committee and, depending on the issue and the seriousness of the potential breach, to competent legal or regulatory authorities;
- b) Ensures appropriate protection (including of personal data) for persons who report potential or actual breaches and for the accused party; and
- c) Ensures the right of the accused party to a hearing by the Steering Committee before the adoption of a decision concerning the party.

¹⁰ EMMI’s Whistleblowing Web Portal: <https://www.emmi-benchmarks.eu/emmi/euribor-whistleblowing-web-portal.html>

6. TRANSPARENCY

1. The following information on the Eonia[®] governance and rate-setting process shall be publicly disclosed on the EMMI website:
 - a) The Eonia[®] Governance Framework, in particular this Governance Code of Conduct, information regarding the Eonia[®] specification, its determination methodology, any revision policies thereto, as well as the contribution rules applicable to Panel Banks;
 - b) The procedures for consulting on any proposed material change in the Eonia[®] methodology and the rationale for such changes, including a definition of what constitutes a material change to the Eonia[®] benchmark and the circumstances in which EMMI should notify users, as determined on the *EMMI Benchmarks Consultation Policy*¹¹;
 - c) The list of Panel Banks contributing to Eonia[®] and, when applicable, any change in the composition of the panel;
 - d) Election and membership of the Steering Committee along with declarations of conflicts of interests;
 - e) The minutes of the Steering Committee; and
 - f) The Eonia[®] daily rate, monthly and yearly averages, and aggregate volume on a delayed basis.

¹¹ EMMI's *Consultation Policy* can be found on EMMI's website.

PROVISIONS APPLICABLE TO THE PANEL BANKS

7. CRITERIA TO QUALIFY FOR A SEAT ON THE PANEL AND APPLICATION PROCEDURE

i. Composition of the Panel

1. The panel shall consist of banks that are active participants in the euro unsecured overnight money market.
2. The number of Panel Banks should be high enough:
 - a. to reflect faithfully the geographic diversity of the euro money markets;
 - b. to be a representative selection of financial institutions which actively participate in the overnight euro money market;

Conversely, the panel size should remain at a level that is operationally manageable and efficient.

ii. Qualification Criteria

1. A bank may qualify for panel membership if it has the economic and financial standing to handle substantial volumes in euro-interest rate related instruments, especially in the overnight euro money market.¹²
2. In general terms, banks in the euro area categorized as *significant* by the European Central Bank under the Single Supervisory Mechanism would be regarded as satisfying these criteria. For banks in the EU and EFTA, but outside the euro area, the bank's asset size in relation to national GDP, domestic market standing, and cross-border activity will be taken into account. It is stressed that the *significant* categorization is not intended as an exclusive criterion for panel membership. More specifically, financial instruments such as assets, liabilities and other off-balance sheet items will be considered in assessing the levels of activity and expertise of a potential Panel Bank in the euro money market.

iii. Application for Panel Bank Membership

1. As provided in Section 2 (paragraph 2.1, iii.), the Steering Committee shall decide on individual applications for the panel. In addition to the quantitative criteria above, the Steering Committee will take a range of market and institutional factors into consideration involving the criteria for panel membership.
2. Banks wishing to apply for a seat on the panel must disclose all relevant information on the items considered for the selection. As a matter of convenience, the applicants may present the quarterly figures notified to the respective National Central Bank/European Central Bank.

¹² Refer to the European Central Bank's *Guide to banking supervision* (November 2014), which defines *significant banks*, at: <https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssmguidetobanking supervision201411.en.pdf?404fd6cb61dbde0095c8722d5aff29cd>.

3. In considering market participation levels, intra-group transactions will be excluded.
4. Non-public information presented to the Steering Committee concerning an application will be treated as defined in this Code, on a strictly confidential basis.

8. SANCTIONS

1. Confidence in the integrity of Eonia® as a benchmark needs to be underpinned by a credible set of sanctions for failure to comply with applicable regulations and/or with the provisions of the Eonia® Governance Framework.
2. As specified in Section 2, the Steering Committee shall be the adjudication body with respect to compliance with the Eonia® Governance Framework and shall have the right to impose sanctions for violations of the Framework. The adjudication decision and any sanctions imposed shall be recorded in the minutes of the Steering Committee.
3. In cases where there is a contractual relationship between EMMI and a third party, disputes regarding compliance with provisions of the Eonia® Governance Framework shall be handled under the appropriate contractual provisions in the first instance.
4. In general, the adjudication and sanctioning process will distinguish between two types of violations:
 - a) EMMI is not responsible for monitoring the compliance of Panel Banks or Agents with applicable law or regulation. Nonetheless, suspected violations of law or regulation may be advised to EMMI through whistleblowing or complaint processes. In such cases, where there is suspected to be a violation of applicable law or regulation posing a significant risk to the integrity of Eonia®, EMMI will refer the matter to the competent legal or regulatory authority for adjudication and imposition of the corresponding legal or regulatory sanctions on the violating party. The Steering Committee may take contemporaneous measures against the suspected violating party to protect the integrity of the benchmark, including suspension from participation in the Eonia® process, and impose further sanctions based on an adjudication of the violation.
 - b) Where there is found to be a violation of a provision of the Eonia® Governance Framework, but which does not involve a regulatory or legal violation, the Steering Committee may impose one or more sanctions on the violating party.
5. Potential violations of a provision of the Eonia® Governance Framework, but which do not involve regulatory or legal violations, will be reviewed, investigated, and assessed by the EMMI Secretariat, via delegated authority of the Steering Committee, to determine whether escalation to the Steering Committee for adjudication and sanction imposition is necessary. The respective Panel Bank member will be afforded the opportunity to respond to any potential violations or breaches during this initial investigation and assessment phase conducted by the EMMI Secretariat. If the EMMI Secretariat deems escalation to the Steering Committee necessary, the Panel Bank member will be notified and afforded further opportunity to present its case to the Steering Committee, who is responsible per Section 5, for the ultimate adjudication of compliance with the Eonia® Governance Framework and has the right to impose sanctions for violations of the Framework. Sections 10.6 and 10.7 describe the sanctions framework to be used by the Steering

Committee when imposing sanctions. The imposition of sanctions by the Steering Committee shall be proportional to the severity of the breach.

6. The following sanctions will be available to the Steering Committee:
 - a) a written warning notice;
 - b) requirement to desist from violating activity;
 - c) suspension of benchmark fee concessions, if any;
 - d) public disclosure of non-compliance with the Eonia[®] Code of Conduct Framework;
 - e) temporary suspension from the Eonia[®] panel; and
 - f) permanent exclusion from the Eonia[®] panel.

7. Violations or breaches of the Eonia[®] Governance Framework, which do not involve violations of law or regulation, leading to potential sanctions will be measured cumulatively on a rolling 12 month basis for each respective Panel Bank member. The imposition of sanctions will be based on the following tiered sanctions framework by which the Steering Committee will determine the appropriate level of sanctions in response to one or more breaches.
 - a) The **first three** breaches of the Eonia[®] Governance Framework, as adjudicated by the Steering Committee, will result in the EMMI Secretariat delivering a written warning to the respective Panel Bank, on behalf of the Steering Committee.
 - b) Following a Panel Bank member's **fourth** breach of the Eonia[®] Governance Framework, as adjudicated by the Steering Committee, the Panel Bank member's benchmark subscription fee concession, if any, may be suspended.
 - c) Following a Panel Bank member's **fifth** breach of the Eonia[®] Governance Framework as adjudicated by the Steering Committee, EMMI will publish a public disclosure regarding the respective Panel Bank's non-compliance with the Eonia[®] Governance Framework.
 - d) For any breaches of the Eonia[®] Governance Framework **beyond the fifth breach**, the Steering Committee reserves the right to temporarily or permanently suspend any Bank from the benchmark panel.

PROVISIONS FOR THE CALCULATION AND PUBLICATION OF EONIA®

9. RESPONSIBILITIES OF THE CALCULATION AGENT

1. EMMI, as Administrator of the Eonia® benchmark, has a responsibility to set standards for third party agents performing services for EMMI with respect to the calculation and publication of Eonia®. The general standards for the Calculation Agent are defined in the Eonia® Governance Framework, including the Code of Obligations of the Calculation Agent (COCA).
2. The responsibilities of the Eonia® Calculation Agent will be formalized under a written contractual agreement between EMMI and the Calculation Agent. The operational requirements, including relevant performance metrics, for the services provided by the Calculation Agent to EMMI will be detailed in an associated document also formally agreed between the two parties. The terms of the agreement and the operational requirements will reflect the general standards set out in the Eonia® Governance Framework, including the Code of Obligations of the Calculation Agent (COCA).

10. PUBLICATION PROCESS

After the Calculation Agent has completed the daily benchmark determination, the Eonia® reference rate and aggregate volume will be distributed to all authorized vendors and subscribers.

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