

# **Assessment of Austrian Traded Index® - ATX® Compliance with the IOSCO Principles for Financial Benchmarks<sup>1</sup>**

In 1991, Wiener Börse AG (“WBAG”) launched the Austrian Traded Index® - ATX® in order to cover the most representative and highly traded Austrian stocks listed in the “prime market” segment of the official market, a regulated market supervised by the Austrian Financial Market Authority. ATX® is calculated only on the basis of exchange traded prices and published in real-time by WBAG on every exchange trading day of WBAG.

Having assessed and updated its governance structure, policies and control framework, WBAG confirms with regard to ATX® that it has already designed and implemented specific activities (the “Relevant Activities”) to adhere to the Principles for Financial Benchmarks published by IOSCO (“IOSCO Principles”). The relevant assessment has been performed in line with the principle of proportionality, which applies to the IOSCO Principles.

Annex 1<sup>2</sup> sets out details of the IOSCO Principles together with the Relevant Activities in operation. However, since the assessment of compliance is still an ongoing process, WBAG is willing to implement further measures for adherence, where required. This concerns in particular Section 3 “Conflicts of Interests for Administrators”, Section 4 “Control Framework” and Section 17 “Audits” of the IOSCO Principles.

Vienna, December 2014

Wiener Börse AG

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<sup>1</sup> This document and its integral Annex give an overview of the assessment of adherence conducted by WBAG. It serves for information purposes only and in no way shall be interpreted or construed to create any obligations or warranties of any kind, either express or implied, regarding the information contained herein.

<sup>2</sup> The German version of Annex 1 is binding. The English translation serves for information purposes only.

# Compliance with IOSCO Principles for the ATX – Austrian Traded Index

„Principles for Financial Benchmarks of the Board of the International Organization of Securities Commission“ thereafter referred to as „IOSCO“.

The German version of this document is binding. The English translation serves for information purposes only.

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<p><b>1. Overall Responsibility of the Administrator</b>  The Administrator should retain primary responsibility for all aspects of the Benchmark determination process. For example, this includes:</p> <p>a) Development: The definition of the Benchmark and Benchmark Methodology;</p> <p>b) Determination and Dissemination: Accurate and timely compilation and publication and distribution of the Benchmark;</p>	<p>The Austrian Traded Index (“ATX”) is the leading index of the Vienna Stock Exchange and has been designed as a benchmark for the Austrian capital market. Both the calculation and the composition of the index are defined in detail in the “Rules for the Austrian Indices of Wiener Börse AG” (“Rules”). The Rules in their currently valid version are available on the website of Wiener Börse AG (“WBAG”) <a href="http://www.wienerborse.at/en/indices">www.wienerborse.at/en/indices</a>.</p> <p>The name “Austrian Traded Index” and the abbreviation “ATX” are protected by copyright law. The use of the ATX by financial service providers for financial products is permitted on the condition that a license agreement is signed with WBAG.</p> <p>The Index Committee (“Committee”) is responsible for the provisions of the ATX. The members on the Committee are representatives of the Vienna Stock Exchange, members of WBAG, financial institutions that issue financial products on the indices, institutional investors and academic consultants. Membership in the Committee is open to all interested financial institutions, investors, and academic consultants mentioned above, and therefore, to all key stakeholders of the ATX.</p> <p>WBAG as Administrator of the index chairs the Committee and has the casting vote in the case of ties.</p> <p>The definition and the methodology of the ATX are defined in the Rules. Changes to the definitions of the index and methodology are made by the Committee.</p> <p>Measures that concern the composition of the ATX and are derived from the Rules are disclosed and disseminated immediately. Decisions of the Committee are disclosed and disseminated immediately.</p> <p>All decisions which cannot be postponed and must be reached between the quarterly Index Committee meetings are taken by the Urgent Action Committee. Decisions of the Urgent Action Committee are disseminated immediately.</p> <p>The ATX is an index calculated on the basis of the stock exchange prices determined in real time. The ATX is published and disseminated in real time via data vending systems (including Reuters and Bloomberg). Additionally, the ATX is displayed in real time on the website of WBAG <a href="http://www.wienerborse.at">www.wienerborse.at</a>.</p>

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<p>c) Operation: Ensuring appropriate transparency over significant decisions affecting the compilation of the Benchmark and any related determination process, including contingency measures in the event of absence of or insufficient inputs, market stress or disruption, failure of critical infrastructure, or other relevant factors; and</p> <p>d) Governance: Establishing credible and transparent governance, oversight and accountability procedures for the Benchmark determination process, including an identifiable oversight function accountable for the development, issuance and operation of the Benchmark.</p>	<p>WBAG has extensive review processes for the calculation and publication/dissemination of the ATX. These are defined in the “ATX Index Management Manual of Wiener Börse AG (Manual)”. A description of the calculation method and publication/dissemination of the ATX is published in the “ATX Framework” and is available on the website of WBAG at <a href="http://www.wienerbörse.at/en/indices">www.wienerbörse.at/en/indices</a>.</p> <p>Please refer to No. 5 for “oversight function”.</p> <p>WBAG has defined procedures for the communication of problems in the calculation of the index. These are defined in the “ATX Index Management Manual of Wiener Börse AG (Manual)”. A description of the calculation method and publication/dissemination of the ATX is published in the “ATX Framework” and is available on the website of WBAG at <a href="http://www.wienerbörse.at/en/indices">www.wienerbörse.at/en/indices</a>.</p> <p>WBAG has established procedures to guarantee the calculation and dissemination of the ATX. The operations relating to index calculation are the task of the Index Management team of WBAG which is also responsible for the daily monitoring of the calculation of the ATX. With respect to the technical calculation of the ATX, there are defined procedures and measures in the event of technical problems with the calculation (IT security: “Urgent Action Manual of WBAG” and “Urgent Action Information Sheet of WBAG”).</p> <p><b>Excerpt of the „The Rules for the Austrian Indices of the Vienna Stock Exchange“</b></p> <p>2.1.3. The ATX has been designed as a market-oriented, transparent benchmark for the Austrian stock market. The ATX comprises those stocks of the prime market with the highest liquidity and market capitalization. As a rule, the ATX may only include stocks of issuers whose registered office and operations are headquartered in Austria. The stocks of issuers with their registered office outside of Austria may nonetheless be included in the ATX if the company's operations headquarters are in Austria and the primary place of listing of the stocks is the Vienna Stock Exchange. The primary place of listing is measured by trading volume in monetary terms as compared to other stock exchanges. The base value of the ATX was set at 1000 index points as of 2 January 1991.</p> <p><b>6.2. Composition and voting rights</b></p> <p>6.2.1. The members of the Index Committee include representatives of the members of WBAG, representatives of the financial institutions that issue financial products on the indices, representatives of institutional investors, academic advisers and representatives of the Vienna Stock Exchange. The list of members currently in force is available at <a href="http://www.indices.cc">www.indices.cc</a>.</p> <p>6.2.2. Membership in the Index Committee continues for an indefinite period of time. The Index Committee decides on the admittance of new members and the expulsion of existing members.</p> <p>6.2.3. The voting members of the Committee include one representative of the Management Board of WBAG, one</p>



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	<p>representative of the members of WBAG who have assumed quotation commitments for structured products or derivative market products on the ATX, one representative of institutional investors, and one representative from academic circles. Members of WBAG and institutional investors each appoint a representative with voting rights for a term of one year.</p> <p><b>6.3. Index Committee Chair</b>          6.3.1. All meetings of the Index Committee are chaired by the representative of the Management Board of WBAG (Chairperson).</p> <p><b>6.4. Rules of procedure of the Index Committee</b>          6.4.1. Decisions by the Index Committee are taken by a simple majority of the votes cast. If the votes are equally divided, the Chairperson has the decisive vote.</p> <p><b>6.1. Tasks and responsibilities</b>          6.1.1. The Index Committee is the sole decision-making body for the indices and acts as the supervisory authority.          6.1.2. The members of the Committee are under an obligation to act impartially and protect the interests of investors.          6.1.3. The members have the duty to keep confidential any information acquired as a result of their position as members of the Index Committee.</p> <p><b>6.6.1. The Index Committee decides on the following issues:</b>          6.6.1.1. Amendments to "The Rules for the Austrian Indices of the Vienna Stock Exchange"          6.6.1.2. In the event of extraordinary events not explicitly provided for in these Rules, the Index Committee is empowered to take the necessary decisions, always bearing the interests of the market and the intention of the index in mind.</p> <p><b>6.5. Index Committee meetings and Urgent Action Committee</b>          6.5.1. The meetings of the Index Committee are held quarterly (March, June, September and December) at the beginning of the respective month.          6.5.2. The Urgent Action Committee decides on all matters arising between the quarterly Index Committee meetings and requiring immediate decisions.          6.5.3. The Urgent Action Committee comprises the voting members of the Index Committee.          6.5.4. As in the case of the regular Index Committee meetings, decisions are taken by a simple majority of the votes cast. If the votes are equally divided, the Chairperson has the decisive vote.          6.5.5. Information regarding decisions taken by the Urgent Action Committee and the time dates set for their implementation shall be disseminated without delay.</p>

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	<p><b>3.3. Prices used for the calculation of the respective indices</b></p> <p>3.3.1. To calculate the indices all exchange prices fixed in the XETRA® trading system are used. Each exchange price of a stock determined in the XETRA® system leads to an index price change. If no exchange price is determined for an index stock in the course of a trading day, the most recently fixed exchange price on the Vienna Stock Exchange is used for the calculation of the index.</p> <p>3.3.2. If trading in an index stock is suspended on the Vienna Stock Exchange, the most recent exchange price available is used for the calculation of the index.</p>
<p><b>2. Oversight of Third Parties</b></p> <p>Where activities relating to the Benchmark determination process are undertaken by third parties - for example collection of inputs, publication or where a third party acts as Calculation Agent - the Administrator should maintain appropriate oversight of such third parties. The Administrator (and its oversight function) should consider adopting policies and procedures that:</p> <ul style="list-style-type: none"> <li>a) Clearly define and substantiate through appropriate written arrangements the roles and obligations of third parties who participate in the Benchmark determination process, as well as the standards the Administrator expects these third parties to comply with;</li> <li>b) Monitor third parties' compliance with the standards set out by the Administrator;</li> <li>c) Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of third parties who participate in the Benchmark determination process; and</li> <li>d) Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process.</li> </ul> <p>This Principle does not apply in relation to a third party from whom an Administrator sources data if that third party is a Regulated Market or Exchange.</p>	<p>Not applicable: WBAG computes and disseminates the ATX without the involvement of third parties.</p>
<p><b>3. Conflicts of Interest for Administrators</b></p> <p>To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure,</p>	<p>53% of the owners of WBAG are credit institutions and some 47% are listed companies ("Listed Companies").</p> <p>Representatives of the owners from credit institutions are (also) members of the ATX Committee. Therefore, there</p>



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<p>management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate.</p> <p>Administrators should disclose any material conflicts of interest to their users and any relevant Regulatory Authority, if any.</p> <p>The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses and should seek to ensure:</p> <p>a) Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;</p> <p>b) Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;</p> <p>c) Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;</p> <p>d) Adequate supervision and sign-off by authorised or qualified employees prior to releasing Benchmark determinations;</p> <p>e) The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject to the disclosure obligations of the Administrator;</p> <p>f) Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and</p> <p>g) Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivised by the levels of the Benchmark.</p> <p>An Administrator's conflict of interest framework should seek to</p>	<p>are potential conflicts of interest between the credit institutions as owners of WBAG and as trading members and/or as issuers of (structured) products on the ATX. The following measures have been taken to prevent conflicts of interest:</p> <ul style="list-style-type: none"> <li>■ The calculation and composition of the ATX is based on defined and transparent rules.</li> <li>■ Decisions of the Index Committee can only be reached with a majority of the votes cast.</li> <li>■ The meetings of the Committee take place outside of trading hours so that the information from the consultations of the Committee cannot be used in trading.</li> <li>■ Decisions of the Committee that concern the ATX are published immediately.</li> </ul> <p>Listed companies as owners of WBAG are not represented on the Committee and therefore do not take part in the consultations and decision-making process.</p> <p>At WBAG, the areas of competence and tasks are clearly defined. The index adjustments are carried out by the Index Management team in accordance to the principle of dual control. Employees of the Index Management team are under the obligation to comply with the "Compliance Code of Wiener Börse AG" and the "Principles for Employee Dealings". Compliance is monitored by the Compliance Officer of WBAG. Moreover, telephone conversations of employees of the Index Management team are recorded.</p> <p>The remuneration of employees of the Index Management team is not linked to the development of the ATX.</p> <p><b>Excerpt of the „The Rules for the Austrian Indices of the Vienna Stock Exchange“</b></p> <p>6.1.2. The members of the Committee are under an obligation to act impartially and protect the interests of investors.</p>



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<p>mitigate existing or potential conflicts created by its ownership structure or control, or due to other interests the Administrator's staff or wider group may have in relation to Benchmark determinations. To this end, the framework should:</p> <p>a) Include measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business (including all staff who perform or otherwise participate in Benchmark production responsibilities), and any other business of the Administrator or any of its affiliates; and</p> <p>b) Provide that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority in a timely manner.</p>	
<p><b>4. Control Framework for Administrators:</b></p> <p>An Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark. The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs. The control framework should be documented and available to relevant Regulatory Authorities, if any. A summary of its main features should be Published or Made Available to Stakeholders.</p> <p>This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas :</p> <p>a) Conflicts of interest in line with Principle 3 on conflicts of interests;</p> <p>b) Integrity and quality of Benchmark determination:</p> <p>i. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with principles 6 to 15 on the quality of the Benchmark and Methodology;</p> <p>ii. Arrangements to promote the integrity of Benchmark inputs,</p>	<p>The ATX is calculated on the basis of the prices paid. There are a number of defined surveillance processes ("ATX Index Management Manual of Wiener Börse AG").</p> <p>A summary of the surveillance processes is available on the website of WBAG <a href="http://www.wienerborse.at/en/indices">www.wienerborse.at/en/indices</a>.</p> <p>The surveillance processes are reviewed once a year.</p> <p>Enquiries and complaints are processed in accordance with defined procedures (Enquiries and Complaints Policy of Wiener Börse AG"). The document is available on the website of WBAG <a href="http://www.wienerborse.at/en/indices">www.wienerborse.at/en/indices</a> WBAG as Administrator of the ATX itself does not have a whistleblower mechanism. However, WBAG is under the supervision of the FMA, which has an established whistleblower mechanism, <a href="http://www.fma.gv.at">www.fma.gv.at</a>.</p>

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errors in inputs or Submissions, as well as ex-post analysis of trends and outliers.	
<p><b>5. Internal Oversight</b></p> <p>Administrators should establish an oversight function to review and provide challenge on all aspects of the Benchmark determination process. This should include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.</p> <p>The oversight function should be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.</p> <p>An Administrator should develop and maintain robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities, if any.</p> <p>The main features of the procedures should be Made Available to Stakeholders. These procedures should include:</p> <ul style="list-style-type: none"> <li>a) The terms of reference of the oversight function;</li> <li>b) Criteria to select members of the oversight function;</li> <li>c) The summary details of membership of any committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of committee members.</li> </ul> <p>The responsibilities of the oversight function include:</p> <ul style="list-style-type: none"> <li>a) Oversight of the Benchmark design: <ul style="list-style-type: none"> <li>i. Periodic review of the definition of the Benchmark and its Methodology;</li> <li>ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);</li> <li>iii. Overseeing any changes to the Benchmark Methodology,</li> </ul> </li> </ul>	<p>The definition and calculation of the ATX is done in line with the “Rules”.</p> <p>The oversight function is performed, on the one hand, by the ATX Working Committee, and by the Index Committee, on the other.</p> <p>Oversight of the operations for index calculation and dissemination is accomplished in the weekly meetings of the representatives of WBAG involved in the index calculation and dissemination (ATX Working Committee). To guarantee that the ATX corresponds to actual market conditions on the Austrian capital market, the Committee meets on a quarterly basis or an ad hoc basis to discuss any necessary changes to the Rules.</p> <p>The qualification of the members and the composition of the Committee are defined in the Rules. The Committee members work on an honorary basis.</p> <p>The regulations for the oversight function are defined in the “ATX Index Management Manual of Wiener Börse AG” and in the Rules.</p> <p>An external audit is not conducted. The reason for this is that all material stakeholders are represented on the</p>

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<p>or sampling unusual inputs or Submissions;  b) Overseeing the Code of Conduct for Submitters;  c) Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and  d) Establishing measures to detect potential anomalous or suspicious Submissions and in case of suspicious activities, to report them, as well as any misconduct by Submitters of which it becomes aware to the relevant Regulatory Authorities, if any.</p>	
<p><b>Quality of the Benchmark</b>  <b>6. Benchmark Design</b>  The design of the Benchmark should seek to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.  Benchmark design should take into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest:  a) Adequacy of the sample used to represent the Interest;  b) Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);  c) Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;  d) The distribution of trading among Market Participants (market concentration);  e) Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).</p>	<p>The Rules contain detailed provisions on the calculation, the composition and the purpose of the index.</p> <p><b>Excerpt of the „The Rules for the Austrian Indices of the Vienna Stock Exchange“</b></p> <p>2.1.3. The ATX has been designed as a market-oriented, transparent benchmark for the Austrian stock market. The ATX comprises those stocks of the prime market with the highest liquidity and market capitalization. As a rule, the ATX may only include stocks of issuers whose registered office and operations are headquartered in Austria. The stocks of issuers with their registered office outside of Austria may nonetheless be included in the ATX if the company's operations headquarters are in Austria and the primary place of listing of the stocks is the Vienna Stock Exchange. The primary place of listing is measured by trading volume in monetary terms as compared to other stock exchanges. The base value of the ATX was set at 1000 index points as of 2 January 1991.</p>
<p><b>7. Data Sufficiency</b>  The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:  a) Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable;</p>	<p>The index calculation is done on the basis of the prices paid (stock exchange prices) that are generated in the trading system of WBAG.</p>

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<p>and</p> <p>b) Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Benchmark measures in order for it to function as a credible indicator of prices, rates, indices or values.</p> <p>This Principle requires that a Benchmark be based upon (i.e., anchored in) an active market having observable Bona Fide, Arms-Length Transactions.</p> <p>This does not mean that every individual Benchmark determination must be constructed solely of transaction data. Provided that an active market exists, conditions in the market on any given day might require the Administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions.</p> <p>Depending upon the Administrator's Methodology, this could result in an individual Benchmark determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8.</p> <p>Provided that subparagraphs (a) and (b) above are met, Principle 7 does not preclude Benchmark Administrators from using executable bids or offers as a means to construct Benchmarks where anchored in an observable market consisting of Bona Fide, Arms-Length transactions.</p> <p>This Principle also recognizes that various indices may be designed to measure or reflect the performance of a rule-based investment strategy, the volatility or behaviour of an index or market or other aspects of an active market. Principle 7 does not preclude the use of non-transactional data for such indices that are not designed to represent transactions and where the nature of the index is such that non-transactional data is used to reflect what the index is designed to measure. For example, certain volatility indices, which are designed to measure the expected volatility of an index of securities transactions, rely on non-transactional data, but the data is derived from and thus "anchored" in an actual functioning securities or options market.</p>	



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<p><b>8. Hierarchy of Data Inputs</b></p> <p>An Administrator should establish and Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks. In general, the hierarchy of data inputs should include:</p> <ul style="list-style-type: none"> <li>a) Where a Benchmark is dependent upon Submissions, the Submitters' own concluded arms-length transactions in the underlying interest or related markets;</li> <li>b) Reported or observed concluded Arm's-length Transactions in the underlying interest;</li> <li>c) Reported or observed concluded Arm's-length Transactions in related markets;</li> <li>d) Firm (executable) bids and offers; and</li> <li>e) Other market information or Expert Judgments.</li> </ul> <p>Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology. The Administrator should retain flexibility to use the inputs it believes are appropriate under its Methodology to ensure the quality and integrity of its Benchmark. For example, certain Administrators may decide to rely upon Expert Judgment in an active albeit low liquidity market, when transactions may not be consistently available each day. IOSCO also recognizes that there might be circumstances (e.g., a low liquidity market) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given Benchmark determination.</p>	<p>The index calculation is done on the basis of the prices paid that are generated in the trading system of WBAG. There is no hierarchy regarding the input of data nor is this based on expert judgments.</p>
<p><b>9. Transparency of Benchmark Determinations</b></p> <p>The Administrator should describe and publish with each Benchmark determination, to the extent reasonable without</p>	<p>The index calculation is done on the basis of the prices paid (stock exchange prices) that are generated in the trading system of WBAG. WBAG has drafted Calculation Rules and published these on its website at</p>



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<p>delaying an Administrator publication deadline:</p> <p>a) A concise explanation, sufficient to facilitate a Stakeholder's or Market Authority's ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (i.e., transaction-based, spread-based or interpolated/extrapolated);</p> <p>b) A concise explanation of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</p>	<p><a href="http://www.wienerborse.at/uploads/u/cms/files/indices/download-area/en-aut-index-guide.pdf">www.wienerborse.at/uploads/u/cms/files/indices/download-area/en-aut-index-guide.pdf</a>.</p> <p>The Rules include, apart from the calculation formula for the ATX, also calculation examples for changes to the capital of companies included in the ATX.</p> <p><a href="http://www.wienerborse.at/uploads/u/cms/files/indices/download-area/en-calculation-guide.pdf">www.wienerborse.at/uploads/u/cms/files/indices/download-area/en-calculation-guide.pdf</a></p>
<p><b>10. Periodic Review</b></p> <p>The Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator also should periodically review whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.</p> <p>The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.</p>	<p>The ATX as a benchmark for the Austrian capital market is subject to constant reviews. Any potential changes required to the Rules are discussed at the quarterly Committee meetings. If there is an emergency, the Urgent Action Committee may be convened.</p> <p>Decisions of the Committee and of the Urgent Action Committee are disclosed and disseminated immediately.</p>
<p><b>Quality of the Methodology</b></p> <p><b>11. Content of the Methodology</b></p> <p>The Administrator should document and Publish or Make Available the Methodology used to make Benchmark determinations. The Administrator should provide the rationale for adopting a particular Methodology. The Published Methodology should provide sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular</p>	<p>The Rules for the ATX contain detailed provisions regarding the calculation, composition and purpose of the index (see No. 6 above). The methodology applied is compliant with international standards and conforms to UCITS Rules. The standards observed regarding the composition method and calculation, the periodical reviews and the dissemination are in line with international standards. The Rules are available on the website <a href="http://www.wienerborse.at/en/indices">www.wienerborse.at/en/indices</a>.</p>



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<p>Stakeholders, and its appropriateness as a reference for financial instruments.</p> <p>At a minimum, the Methodology should contain:</p> <ul style="list-style-type: none"> <li>a) Definitions of key terms;</li> <li>b) All criteria and procedures used to develop the Benchmark, including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;</li> <li>c) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;</li> <li>d) The procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);</li> <li>e) The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;</li> <li>f) Information regarding the frequency for internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;</li> <li>g) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and</li> <li>h) The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</li> </ul> <p><b>Where a Benchmark is based on Submissions, the additional Principle also applies:</b></p> <p>The Administrator should clearly establish criteria for including and excluding Submitters. The criteria should consider any issues arising from the location of the Submitter, if in a different jurisdiction to the Administrator. These criteria should be available to any relevant Regulatory Authorities, if any, and Published or Made Available to Stakeholders. Any provisions</p>	<p>The calculation of the ATX is not based on “submissions”.</p>

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related to changes in composition, including notice periods should be made clear.	
<p><b>12. Changes to the Methodology</b></p> <p>An Administrator should Publish or Make Available the rationale of any proposed material change in its Methodology, and procedures for making such changes. These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark's use) of changes. Those procedures should be consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations. When changes are proposed, the Administrator should specify exactly what these changes entail and when they are intended to apply. The Administrator should specify how changes to the Methodology will be scrutinised, by the oversight function. The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark's use and the nature of the Stakeholders. Procedures should:</p> <p>a) Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyse and comment on the impact of such proposed material changes, having regard to the Administrator's assessment of the overall circumstances; and</p> <p>b) Provide for Stakeholders' summary comments, and the Administrator's summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<p>Changes to the Rules are decided by the Index Committee and published immediately after the decision is taken. Potential changes are notified to the ATX Index Committee one week before the Index Committee meeting takes place by stating these on the agenda. The responses received before the meeting are sent to all Committee members. Potential changes are then discussed at the meeting.</p> <p><b>Excerpt of the „The Rules for the Austrian Indices of the Vienna Stock Exchange“</b></p> <p><b>6.6.1. The Index Committee decides on the following issues:</b></p> <p>6.6.1.1. Amendments to “The Rules for the Austrian Indices of the Vienna Stock Exchange”</p> <p>6.6.1.2. In the event of extraordinary events not explicitly provided for in these Rules, the Index Committee is empowered to take the necessary decisions, always bearing the interests of the market and the intention of the index in mind.</p> <p>6.6.1.6. Agreement on the effective date of the changes adopted.</p> <p>6.6.1.7. Generally, the decisions taken by the Index Committee are implemented after the close of trading on the third Friday of the months of March, June, September and December after each Committee meeting. If this Friday is not an exchange trading day, then the preceding exchange trading day shall be the day on which the decisions taken by the Index Committee are implemented after trading closes.</p>
<p><b>13. Transition</b></p> <p>Administrators should have clear written policies and</p>	<p>The discontinuation of the calculation of the ATX is only possible if a decision to this effect has been reached by</p>





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<p>procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark.</p> <p>The Administrator should take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.</p> <p>These written policies and procedures should be Published or Made Available to all Stakeholders.</p> <p>Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <ul style="list-style-type: none"> <li>a) Contracts or other financial instruments that reference a Benchmark, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</li> <li>b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.</li> </ul> <p>Administrators' written policies and procedures to address the possibility of Benchmark cessation could include the following factors, if determined to be reasonable and appropriate by the Administrator:</p> <ul style="list-style-type: none"> <li>a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics (e.g., credit quality, maturities and liquidity of the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent</li> </ul>	<p>the Committee. Any decision taken is published immediately. If the decision is reached to discontinue the calculation of the ATX, the index will continue to be computed for at least six month longer.</p>

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<p>transaction data, the impact on Stakeholders and impact of existing legislation;</p> <p>b) The practicality of maintaining parallel Benchmarks (e.g., where feasible, maintain the existing Benchmark for a defined period of time to permit existing contracts and financial instruments to mature and publish a new Benchmark) in order to accommodate an orderly transition to a new Benchmark;</p> <p>c) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p> <p>d) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and</p> <p>e) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.</p>	
<p><b>14. Submitter Code of Conduct</b></p> <p>Where a Benchmark is based on Submissions, the following additional Principle also applies:</p> <p>The Administrator should develop guidelines for Submitters ("Submitter Code of Conduct"), which should be available to any relevant Regulatory Authorities, if any and Published or Made Available to Stakeholders.</p> <p>The Administrator should only use inputs or Submissions from entities which adhere to the Submitter Code of Conduct and the Administrator should appropriately monitor and record adherence from Submitters. The Administrator should require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred.</p> <p>The Administrator's oversight function should be responsible for</p>	<p>The ATX is not based on "submissions".</p>



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<p>the continuing review and oversight of the Submitter Code of Conduct.</p> <p>The Submitter Code of Conduct should address:</p> <ul style="list-style-type: none"> <li>a) The selection of inputs;</li> <li>b) Who may submit data and information to the Administrator;</li> <li>c) Quality control procedures to verify the identity of a Submitter and any employee(s) of a Submitter who report(s) data or information and the authorization of such person(s) to report market data on behalf of a Submitter;</li> <li>d) Criteria applied to employees of a Submitter who are permitted to submit data or information to an Administrator on behalf of a Submitter;</li> <li>e) Policies to discourage the interim withdrawal of Submitters from surveys or Panels;</li> <li>f) Policies to encourage Submitters to submit all relevant data; and</li> <li>g) The Submitters' internal systems and controls, which should include: <ul style="list-style-type: none"> <li>i. Procedures for submitting inputs, including Methodologies to determine the type of eligible inputs, in line with the Administrator's Methodologies;</li> <li>ii. Procedures to detect and evaluate suspicious inputs or transactions, including inter-group transactions, and to ensure the Bona Fide nature of such inputs, where appropriate;</li> <li>iii. Policies guiding and detailing the use of Expert Judgment, including documentation requirements;</li> <li>iv. Record keeping policies;</li> <li>v. Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;</li> <li>vi. Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime);</li> <li>vii. Suspicious Submission reporting;</li> <li>viii. Roles and responsibilities of key personnel and accountability lines;</li> <li>ix. Internal sign off procedures by management for submitting inputs;</li> </ul> </li> </ul>	



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<p>x. Whistle blowing policies (in line with Principle 4); and</p> <p>xi. Conflicts of interest procedures and policies, including prohibitions on the Submission of data from Front Office Functions unless the Administrator is satisfied that there are adequate internal oversight and verification procedures for Front Office Function Submissions of data to an Administrator (including safeguards and supervision to address possible conflicts of interests as per paragraphs (v) and (ix) above), the physical separation of employees and reporting lines where appropriate, the consideration of how to identify, disclose, manage, mitigate and avoid existing or potential incentives to manipulate or otherwise influence data inputs (whether or not in order to influence the Benchmark levels), including, without limitation, through appropriate remuneration policies and by effectively addressing conflicts of interest which may exist between the Submitter's Submission activities (including all staff who perform or otherwise participate in Benchmark Submission responsibilities), and any other business of the Submitter or of any of its affiliates or any of their respective clients or customers.</p>	
<p><b>15. Internal Controls over Data Collection</b></p> <p>When an Administrator collects data from any external source the Administrator should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of the Front Office Function, the Administrator should seek corroborating data from other sources.</p>	<p>The ATX is not based on "data from any external source".</p>
<p><b>Accountability</b></p> <p><b>16. Complaints Procedures</b></p> <p>The Administrator should establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning</p>	<p>WBAG has an "Enquiries and Complaints Policy of Wiener Börse AG". The Policy is available on the website of WBAG <a href="http://www.wienerborse.at/en/indices">www.wienerborse.at/en/indices</a></p>



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<p>whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination.</p> <p>The complaints procedures policy should:</p> <ul style="list-style-type: none"> <li>a) Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;</li> <li>b) Contain procedures for receiving and investigating a complaint made about the Administrator's Benchmark 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;</li> <li>c) Contain a process for escalating complaints, as appropriate, to the Administrator's governance body; and</li> <li>d) Require all documents relating to a complaint, including those submitted by the complainant as well as the Administrator's own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.</li> </ul> <p>Disputes about a Benchmarking determination, which are not formal complaints, should be resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that should be Published or Made Available to Subscribers and Published or Made Available to Stakeholders as soon as possible as set out in the Methodology.</p>	
<p><b>17. Audits</b></p> <p>The Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated criteria and with the Principles. The frequency of audits should be proportionate to the size and complexity of the</p>	<p>WBAG has not assigned a mandate to an external auditor for reviewing compliance with IOSCO Guidelines for the following reasons:</p> <ul style="list-style-type: none"> <li>■ The ATX as a benchmark for the Austrian capital market is subject to constant monitoring by domestic and foreign market participants.</li> <li>■ There are a number of internal audit procedures and defined procedures for the calculation and dissemination</li> </ul>

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<p>Administrator's operations.</p> <p>Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator (except for Benchmarks that are otherwise regulated or supervised by a National Authority other than a relevant Regulatory Authority), an Administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated Methodology. The frequency of audits should be proportionate to the size and complexity of the Administrator's Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.</p>	<p>of the ATX.</p> <ul style="list-style-type: none"> <li>■ The Index Committee consists of representatives of the key stakeholders. These assume responsibility for checking compliance of the ATX with the valid Guidelines.</li> <li>■ The employees of WBAG charged with the calculation are subject to the Compliance Code of WBAG.</li> </ul>
<p><b>18. Audit Trail</b></p> <p>Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</p> <ul style="list-style-type: none"> <li>a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</li> <li>b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</li> <li>c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</li> <li>d) The identity of each person involved in producing a Benchmark determination; and</li> <li>e) Any queries and responses relating to data inputs.</li> </ul> <p>If these records are held by a Regulated Market or Exchange the Administrator may rely on these records for compliance with this Principle, subject to appropriate written record sharing agreements.</p> <p><b>When a Benchmark is based on Submissions, the following additional Principle also applies:</b></p> <p>Submitters should retain records for five years subject to applicable national legal or regulatory requirements on:</p> <ul style="list-style-type: none"> <li>a) The procedures and Methodologies governing the Submission of inputs;</li> </ul>	<p>WBAG stores data for an indefinite period, but as a minimum for a period of five years:</p> <ul style="list-style-type: none"> <li>■ The data relevant for the calculation of the index</li> <li>■ Releases that concern the index</li> <li>■ Agenda, documents and minutes of the ATX Index Committee meetings.</li> <li>■ Other documents relating to the calculation of the index.</li> </ul> <p>The calculation of the ATX is not based on "submissions".</p>

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<p>b) The identity of any other person who submitted or otherwise generated any of the data or information provided to the Administrator;</p> <p>c) Names and roles of individuals responsible for Submission and Submission oversight;</p> <p>d) Relevant communications between submitting parties;</p> <p>e) Any interaction with the Administrator;</p> <p>f) Any queries received regarding data or information provided to the Administrator;</p> <p>g) Declaration of any conflicts of interests and aggregate exposures to Benchmark related instruments;</p> <p>h) Exposures of individual traders/desks to Benchmark related instruments in order to facilitate audits and investigations; and</p> <p>i) Findings of external/internal audits, when available, related to Benchmark Submission remedial actions and progress in implementing them.</p>	
<p><b>19. Cooperation with Regulatory Authorities</b></p> <p>Relevant documents, Audit Trails and other documents subject to these Principles shall be made readily available by the relevant parties to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.</p>	<p>WBAG is under the supervision of the FMA. The FMA has the possibility of requesting information from WBAG within the scope of its competence.</p>