



FTSE Russell Queries and Complaints Policy

v1.5



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Section 1

Introduction

1.0 Introduction

This document sets out the procedure and escalation process to be followed by FTSE Russell¹ in the event that an index constituent, client, or other market participant (for example a derivatives trader) queries or makes a complaint about any stage of the Index determination and dissemination process followed by FTSE Russell. This could include queries or complaints about:

- FTSE Russell's service delivery;
- FTSE Russell's treatment of a corporate event;
- the use of incorrect data when conducting an index review or reconstitution;
- index weighting issues including disputed free floats and shares in issue figures;
- withholding tax rates in net-of-tax indexes;
- index eligibility rules, for example to the UK Index Series or Russell US Index Series; or
- other issue relating to the suitability of an index.

¹ FTSE Russell is a trading name of Frank Russell Company (FRC), FTSE International Limited (FTSE) and FTSE TMX Global Debt Capital Markets, Inc. (FTSE TMX). FRC and FTSE are each benchmark administrators of indexes. References to FTSE Russell should be interpreted as a reference to the relevant benchmark administrator for the relevant index.



Section 2

Principles

2.0 Principles

The following principles apply to all queries or complaints raised with FTSE Russell:

- 2.1 All investigations of a complaint, query or issue raised by any party to FTSE Russell must be handled in a fair and timely manner;
- 2.2 Individuals investigating a complaint should, wherever practical, be independent of those individuals who might be involved in the subject of the complaint;
- 2.3 Resolution of the complaint, query or issue will be communicated to the third party raising it, once the FTSE Russell decision has been approved, in a timely fashion and in the manner set out in the relevant section of this procedure document;
- 2.4 No complaint should be closed without the client confirming that it has been properly addressed; and
- 2.5 All records and correspondence relating to any complaints, queries or issues must be kept by FTSE Russell for five years.



Section 3

Procedure

3.0 Procedure

If an index user, market participant, index constituent or other party wishes to raise an issue regarding FTSE Russell's methodologies, service or an issue regarding the suitability of an index, they should first contact the FTSE Russell Client Services team at info@ftserussell.com.

On receipt of a communication, the FTSE Russell Client Services team will:

3.1 Categorise the issue as to whether it is a query or a complaint and whether it relates to:

- General query;
- Service delivery issue;
- Index calculation issue;
- Index eligibility issue;
- ICB classification issue;
- Query as to index suitability.

3.2 Confer with the complainant if necessary to ensure the nature of the query or complaint is fully understood;

3.3 On the basis of an initial assessment determine the immediate level of escalation for the enquiry

3.4 General queries

3.4.1 In the case of a general query a member of the FTSE Russell Client Services team will:

- A. liaise with the relevant FTSE Russell team, such as Operations, Production or Research, best placed to answer the query and ensure they have all the information provided relating to the query; and
- B. respond to the query and maintain a record of all correspondence.

3.5 **Service delivery**

3.5.1 In the case of a service delivery issue:

- A. the Head of FTSE Russell North America Client Services or the Head of FTSE Russell EMEA/APAC Client services will liaise with the FTSE Enterprise Support Services team and following consultation with the appropriate client manager, provide a written response to the complainant;
- B. if the query or complaint cannot be resolved by the Heads of FTSE Russell Client Services, the complaint will be escalated to the FTSE Russell Head of Operations for additional expertise or specialist assistance
- C. the FTSE Russell Client Services team will update the complainant on an ongoing basis throughout the process. The updates will include information such as indicative resolution date/time and if the query is with another department for investigation/support; and
- D. once the final resolution has been determined, a written response will be provided to the complainant by the FTSE Russell Client Services team.

3.6 In the case of any issues categorised and responded to in accordance with paragraphs 3.4 or 3.5, the FTSE Russell Client Services team will contact the complainant by telephone to ensure that the complainant was satisfied with the resolution of their issue.

3.7 **Index calculation**

3.7.1 In the case of a question or complaint about an issue to do with index calculation:

- A. the FTSE Russell Client Services team will escalate the complaint directly to the FTSE Russell Index Policy Team, or, for serious issues, to the FTSE Russell Head of Governance. The FTSE Russell Index Policy team or the FTSE Russell Client Services team will update the complainant on an ongoing basis throughout the process. The updates will include information such as indicative resolution date/time and if the query is with another department for investigation/support; and
- B. the FTSE Russell Index Policy team will be responsible for consulting relevant colleagues to ensure that any subsequent decision or recommendation is based on full possession of the relevant facts;
- C. if the complaint relates to a matter into which a member of the FTSE Russell Index Policy originally had input then, if reasonably practicable, that individual should not be involved in the resolution of the complaint. If circumstances dictate that such individual needs to be involved, such individual should be mindful of how they approach the resolution of the complaint to ensure that they remain objective;
- D. generic calculation errors such as those arising from inappropriate treatment of corporate actions, or data errors such as incorrect free floats or shares in issue, should be identifiable from the relevant index ground rules and corporate action methodology guide. Such cases are covered by the *Index Recalculation Policy*;
- E. if the FTSE Russell Index Policy team determines that a clear-cut error has occurred, that the error occurred within the specified complaint window, and that an index restatement and/or product reissue is required, a market notice will be issued and the complainant informed in writing of the resolution after issue of the market notice and by the FTSE Russell Client Services team;

- F. if the FTSE Russell Index Policy team concludes that the source of the complaint is not a clear-cut error but rather a matter of interpretation of the rules or methodology guide,
 - i. for standard indexes, the FTSE Russell Index Policy team may choose to solicit the views of FTSE Russell advisory committee members and other stakeholders;
 - ii. for indexes that are bespoke or custom to a particular client, or indexes that are known to be followed by only one or a very small number of product providers, the views of the bespoke client and/or product providers will be sought before FTSE Russell determines the appropriate course of action in response to the client complaint. However, the decision rests with FTSE Russell as index provider and as far as reasonably practicable the escalation procedure and recalculation policy will follow that of standard FTSE Russell indexes;
 - iii. for partner indexes, the FTSE Russell Index Policy team may choose to solicit the views of the partner and/or the FTSE Russell partner committee members and other stakeholders;
- G. if, following consultation (if any), the FTSE Russell Index Policy team determines that action is required, the process referred to in paragraph 3.5 (d) will be followed;
- H. if, following consultation (if any), the FTSE Russell Index Policy team determines that no action is required, the complainant will be informed in writing of FTSE's decision supported by a summary of the rationale for such decision;
- I. If the complaint was dealt with by the FTSE Russell Index Policy team (and not the FTSE Russell Head of Governance) and the complainant communicates that he disagrees with FTSE's decision as communicated in paragraph 3.5 (e), and considers that an index restatement is required, the FTSE Russell Index Policy team will escalate the issue to FTSE's Head of Governance and the matter will be reviewed at the FTSE Russell Governance Board;
- J. If the FTSE Russell Governance Board concludes that a restatement or reissue is warranted, the procedure in paragraph 3.7 (e) will be followed;
- K. If the FTSE Russell Governance Board concludes that no restatement or reissue is warranted, the FTSE Russell Governance Board should also determine whether the complainant is entitled to appeal under the relevant index ground rules. The FTSE Russell Index Policy team will inform the complainant of the FTSE Russell Governance Board's decision, via FTSE Russell Client Services, supported by a summary of the rationale for such decision and whether or not the complainant has the right to further appeal;
- L. The right to further appeal is available for certain index series, as set out in the ground rules for that series. Information about the right to further appeal is set out in the FTSE Russell Statement "Appeals Against Decisions";

3.8 Eligibility for an index

- 3.8.1 In the case of a question or complaint from a company (or their representative) concerning the company's eligibility for an index:
 - A. the FTSE Russell Client Services team will escalate the complaint directly to the FTSE Russell Index Policy Team or
 - B. if, the FTSE Russell Index Policy team agrees with the company, a market notice announcing the changed assessment will be issued. The company will be informed of the change in writing by the FTSE Russell Client Services team subsequent to the release of the notice;
 - C. if, , the FTSE Russell Index Policy team disagrees with the complainant, the FTSE Russell Index Policy team will revert to the company through FTSE Russell Client Services, informing the complainant of the decision, supported by a summary of the rationale for such decision;

- D. if, following communication of the decision in accordance with paragraph 3.8(d), the complainant disagrees with such decision, the issue will be escalated to the FTSE Russell Head of Governance and the FTSE Russell Governance Board and the matter debated by the FTSE Russell Governance Board;
- E. if the FTSE Russell Governance Board agrees with the complainant, the procedure in paragraph 3.8 (c) will be followed;
- F. if the FTSE Russell Governance Board disagrees with the complainant, the FTSE Russell Governance Board should also determine whether the complainant is entitled to appeal under the FTSE Russell Statement “Appeals Against Decision”. The FTSE Russell Index Policy team will inform the complainant of the FTSE Russell Governance Board’s decision, via FTSE Russell Client Services, supported by a summary of the rationale for such decision and whether or not the complainant has the right to further appeal.

ICB Classification

3.8.2 In the case of a question or complaint from a constituent company (or their representative) concerning their ICB classification, the defined challenge and appeal procedure set out in the ICB ground rules should be followed.

Index suitability

- 3.8.3 If an index user, market participant, index constituent or other party wishes to raise an issue regarding the suitability of a FTSE Russell index as a measure of the underlying interest it seeks to represent, the FTSE Russell Index Policy team should prepare a response setting out either:
- A. when the subject matter of the enquiry was last reviewed, by whom and the reasons for the formulation of the index in question. If the matter was the subject of a Technical Notice or referred to in the minutes of a meeting of a relevant Committee, the statement should refer to that document; or
 - B. that the matter will be raised with the appropriate FTSE Russell forum at the next opportunity, following which the result of the review by that forum will be communicated to the third party and, if any change arises from the review, publicly.



Section 4

Further Information

4.0 Further Information

For further information on FTSE Russell Indexes please visit www.ftserussell.com or e-mail info@ftserussell.com. Contact details can also be found on the website.

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