

Terms of Reference

FTSE Russell Policy Advisory Board



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1.0 Constitution

- 1.1 The FTSE Russell Policy Advisory Board (the Policy Advisory Board) has been established to provide strategic guidance to FTSE Russell on the construction, maintenance, and strategy for meeting current and future market requirements for relevant FTSE Russell indices and classification schemes, covering all investment sectors.

2.0 Purpose

- 2.1 The purpose of the Policy Advisory Board is to provide a forum to interact with senior market practitioners and to act as a sounding board for index initiatives that are subject to final approval by the FTSE Russell Index Governance Board.

3.0 Responsibilities

- 3.1 The responsibilities of the Policy Advisory Board are to:
- Discuss substantive changes to FTSE Russell index methodologies and those of its related classification schemes.
 - Opine on the application of guidelines such as the Statement of Principles and other key policy documentation as required, and provide guidance in extraordinary circumstances, when relevant.
 - Discuss the recommendations for changes to country classification made by the FTSE Equity Country Classification Advisory Committee and the regional advisory committees as described in the [FTSE Equity](#) and [Fixed Income Country Classification frameworks](#).
- 3.2 The Committee will not be required to discuss material that might be deemed to be price sensitive. Such material includes the potential treatment of specific forthcoming corporate events (as distinct from rules intended to cover classes of corporate events).

4.0 Members

- 4.1 Appointment to the Policy Advisory Board is by invitation and extended by FTSE Russell on a personal level to individual market practitioners.
- 4.2 The members of the Policy Advisory Board are appointed by FTSE Russell. They will retain membership for a period of three years with the possibility of re-appointment for subsequent terms, as determined by FTSE Russell.
- 4.3 Committee membership is predicated by an understanding of and experience in the use of relevant indices; membership of the committee may be rescinded if the individual ceases to be involved in the usage and tracking of the indices in question.
- 4.4 Members of the Policy Advisory Board may discuss topics raised at meetings of the Policy Advisory Board with colleagues in their own organisation to source such expertise as is relevant to the issues for which members' views are sought as Policy Advisory Board members. In having such discussions, Policy Advisory Board members should be aware of their confidentiality and conflicts of interest obligations, as well as the purpose and responsibility of the Policy Advisory Board and their role in it.
- 4.5 If a committee member cannot attend a meeting, the committee member will make every effort to nominate a deputy to attend in their stead. Committee members understand that admission of a proxy nominee to a committee meeting will only be permitted if the proxy in question has agreed to FTSE Russell's Terms of Proxied Attendance, available from the Committee Secretary.
- 4.6 FTSE Russell will not disclose names of Policy Advisory Board members and members of the advisory board shall not disclose names of other members to a third party.

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- 4.7 The prospective members of the Policy Advisory Board will be provided with a letter of invitation and the Terms of Reference for the Policy Advisory Board; members will be required to sign a copy of the letter of invitation confirming their acceptance of its terms.
- 5.0 The Secretary**
- 5.1 The Committee will be chaired by a senior member of the FTSE Russell Index Policy team.
- 5.2 A Secretary is appointed to support the work of the Policy Advisory Board. The Secretary will be responsible for preparing meeting agendas and papers, maintaining a record of members' attendance and taking the minutes. The Secretary is responsible for following up action points between meetings.
- 6.0 Meetings**
- 6.1 The Policy Advisory Board will meet to conduct business in accordance with its responsibilities set out in paragraph 3. The quorum for all meetings of the Committee is three members. The Chair and the Committee Secretary or a deputy must be in attendance.
- 6.2 An extraordinary meeting of the Policy Advisory Board may be convened at the request of the Chair or the FTSE Russell Index Governance Board when deemed necessary.
- 6.3 Declarations of any known actual or potential conflict of interest with respect to any agenda item can be made at any time before or during the meeting, which will be followed by the appropriate recusal.
- 6.4 Third-party or any other kind of recording of committee meetings by members is not permitted.
- 6.5 The minutes of the meeting are to be approved by the members of the Policy Advisory Board.

The Terms of Reference for this Committee shall be reviewed annually by the FTSE Russell Index Governance Board.

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