Wilshire OpCo UK Limited (Wilshire Indexes)

Terms of Reference for the Board of Directors
(October 2022)

1. **Mandate.** The Board of Directors of Wilshire Indexes (the “Board”) has overall responsibility for overseeing the strategic direction of the business and the overall management of Wilshire Indexes, its financial operations, and the controls, procedures and policies that are required under the UK legal and regulatory framework to provide the benchmark business and related services and products to its clients, and of its staff. Specific areas of oversight, without limitation, are identified in Appendix A.

1.1 As part of the Wilshire group governance structure, the Wilshire Indexes Board reports to the Wilshire Board of Managers.

2. **Composition.** Directors of the Board shall be appointed by the Board. Only Directors of the Board have the right to attend and vote at Board meetings, however, other individuals such as Senior Management and external advisers may be invited to attend all or part of any meeting as and when appropriate. The Directors of Wilshire Indexes (each, a “Director” and collectively, the “Directors”) shall be determined as follows:

2.1 **Directorship.** The current Directors are listed in Appendix B.

3. **Chair.** The Board shall appoint the Chair (the “Chair”). Other Wilshire Indexes Directors will be appointed in accordance with the provisions set forth in the Wilshire Indexes Articles of Association.

4. **Company Secretary.** The Company Secretary or their appointee shall act as the Secretary of the Board.

5. **Meetings**

5.1 **Quorum.** A quorum is required to conduct any meeting. The presence of at least two voting Directors shall constitute a quorum for the purposes of any meeting. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board. Non-Directors may attend meetings as observers and to provide specialist advice with the consent of the Chair, but they may not vote at the meeting.

5.2 **Frequency of Meetings**

5.2.1 The Board of Directors of Wilshire Indexes shall meet at least twice a year and otherwise as required. Meetings may be held by telephone or by other electronic means or Directors may join and participate in meetings by any means agreed to by the Directors.

5.2.2 Ad hoc meetings may be called by any Director of Wilshire Indexes if there is business to conduct.

5.2.3 Meetings of the Board shall be summoned by the Company Secretary at the request of any of its Directors or at the request of external or internal auditors if they consider it necessary. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items, shall be send to each Director of the Board and any other person required to attend no later than [three] working days before the date of the meeting.

5.3 **Attendance**
5.3. Directors should make best efforts to attend meetings in person or by videoconference but where a Director is not able to do so, he or she may attend virtually.

5.4 Minutes

5.4.1 The Company Secretary shall minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance. The Company Secretary shall record any conflicts of interest reported at the meeting. Minutes of the Board meetings shall be circulated to all Directors of the Board before the next meeting of the Board.

6. Action by Wilshire Indexes. Any action required or permitted to be taken at any meeting of the Board shall require the vote of a majority of Directors present. This vote may be held in person, by videoconference, virtually or by other electronic means (including action by email). Failure to object or abstain by a Director, either in person, by telephone or by other electronic means within one (1) business day, shall be deemed consent.

7. Sub-committees. The Board may create, expand or disband sub-committees for any purposes or objectives as may arise from time-to-time.

7.1 Sub-committee chairs will be assigned by the Chair.

7.2 Sub-committees may be comprised of Directors of Wilshire Indexes plus other Wilshire employees as required by the Wilshire Indexes Chair.

7.3 Sub-committee chairs shall report to the Board during the Wilshire Indexes Board meetings or another times, as required.

8. Interested Transactions. In the event the Board considers an action in which a Director or his or her affiliate has an interest, then such Director will fully disclose such interest to all other Directors and, if deemed warranted by the Chair such interested Director will abstain from voting on such transaction and may be required by the Chair to excuse themselves from the discussion.

9. Termination/Resignation of a Director. An individual will automatically cease to be a Director upon termination of their employment with Wilshire and will be replaced on the Board in accordance with the applicable provisions of Wilshire Indexes’ Articles of Association. A Director may otherwise resign by providing notice to the Board.

10. Amendments. Amendments to these Terms of Reference require a unanimous vote of the Directors of Wilshire Indexes.
Appendix A

Specific Areas of Responsibility

The principal functions of the Board are to determine the strategic direction, provide overall management and oversight of the business and the policies, procedures and controls framework of Wilshire Indexes; set the risk appetite within which the business is managed and review business performance.

The Board has a general duty to ensure that Wilshire Indexes operates within the Article of Association, the rules and guidance issued by the UK Financial Conduct Authority (FCA) and any other applicable regulators and all relevant and applicable laws.

The Board will also be mindful of its responsibilities under the FCA Senior Managers and Certification Regime (SMCR).

The Board may delegate certain functions to Board Committees and Senior Management or other personnel where appropriate.

Matters that are reserved for the Board include:

- **Strategy and management**
  - Approving the long term objectives and commercial strategy of the business and the annual budget;
  - Overseeing Wilshire Indexes’ operations ensuing competent and prudent management, sound planning and risk management, appropriate systems and controls, adequate accounting and other records, compliance with applicable laws and regulations and adequate resources;
  - Reviewing the performance of Wilshire Indexes’ strategy, objectives, business plan and budgets and ensuring any remediation action is taken, where necessary;
  - Approving any material extension in the business activities of Wilshire Indexes including expansion into new geographical markets (subject to regulatory approval, where required);
  - Making all and any decision to cease to operate all or any material part of Wilshire Indexes’ business including in geographical markets;
  - Approving any material change to the principal internal policies and procedures of Wilshire Indexes;
  - Approving strategic partnerships and other significant third party service provider relationships; and
  - Approving strategic employee appointments.

- **Culture, purpose, values**
  - Establishing Wilshire Indexes’ purpose, values and strategy and ensuing they are consistent with Wilshire Indexes’ culture;
  - The Board is responsible for setting the tone from the top including assessing and monitoring Wilshire Indexes’ culture and values and taking any corrective action as necessary;
  - Ensuring that the policies and practices support the long term sustainable success of Wilshire Indexes and are consistent with its values and strategic initiatives as well as its legal and regulatory obligations.

- **Financial reporting and controls**
  - Approving the annual report and accounts and other formal reports;
  - Approving of any significant changes in the accounting policies or practices of Wilshire Indexes;
  - Approving of corporate expenditure over a limit agreed with the Wilshire group Board of Managers which either does not fall within the budget approved by the Board or within Wilshire Indexes’ usual spend control governance procedures.

- **Internal controls and risk management**
o Ensuring that Wilshire Indexes has sufficient financial resources to operate its business and/or wind down in an orderly manner;
o Ensuring the maintenance of a sound system of internal control and risk management;
o Receiving reports on, and reviewing the effectiveness of, Wilshire Indexes’ risk and control processes to support its strategy and objectives. This will include reports prepared by the group Risk and Compliance Committee and the group Audit Committee;
o Receiving reports on regulatory developments that may impact the business as well as any systemic regulatory and compliance matters including any remediation steps or action required to be undertaken by the business;
o Undertaking an annual assessment of these processes;
o Review the adequacy and security of Wilshire Indexes’ arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting and other matters such as health and safety, environmental risk/damage, miscarriage of justice, breaches of company law and covering up wrongdoing.

• Board Directorship and other senior management issues including:
  o Changes to the structure, size and composition of the Board;
o Ensuring adequate succession planning for the Board and Senior Management;
o Appointments to the Board;
o The suspension or termination of service of a Director as an employee of Wilshire Indexes;
o Appointments to boards of subsidiaries and associated companies (where relevant)
o Reviewing Wilshire Indexes corporate governance arrangements;
o Reviewing Wilshire Indexes’ compliance with the SMCR;
o Undertake an annual review of its performance and that of its committee and individual Directors;
o Review of Conflicts of Interest.

• Delegation of Authority
  o Agreeing the division of responsibilities between the Chair and the Chief Executive;
o Approving the terms of reference of Board Committees;
o Receiving minutes and/or reports from the Board Committees on their activities;
o Approving Wilshire Indexes’ Risk Management Framework or equivalent and any material changes to it.
o Receiving recommendations from the Board Committees including Risk and Compliance Committee and the Audit Committee as well as other Wilshire group Committees and accepting or rejecting the recommendations; and
o Instructing the Executive Committee to implement Board approved recommendations.

• Remuneration
  o Determining the remuneration of Directors and other members of senior management.
o Review the remuneration policy for the benchmark business to ensure that it complies with the UK Benchmark Regulations.

• Communications and regulatory oversight issues
  o Maintaining overall responsibility for Wilshire Indexes compliance with its legal and regulatory requirements;
o Approving significant communications with the FCA;
o Receiving reports on compliance and remediation exercises;
o Maintaining and facilitating dialogue with shareholders.
o Approving communications with the shareholder(s).
Appendix B

Wilshire Indexes Directors

Mark Makepeace (Chair)
Reza Ghassemieh (CEO, Wilshire Indexes)
Emily Brown (CFO, Wilshire group)
Lawrence Miller (CTO, Wilshire Group)
Paul Grimes (Chief of Staff, Wilshire Indexes)