



Last Update: February 2016

TRANSITION (BENCHMARK CESSATION)

Sociedad de Bolsas, S.A. makes available the procedure that address the need for possible cessation of a Benchmark, due to market structure change, product definition changes, or any other condition, which makes the Benchmark no longer representative of its intended function.

The present procedure takes into consideration the views of stakeholders and any relevant regulatory and national authorities (CNMV).

1. Procedure

a) Beginning of the procedure

The procedure shall be started by the Board of Directors in the case they identify any cause that determines the convenience or necessity to discontinue a benchmark provision.

If the probable cause is identified by the Index Management Secretariat and considered as feasible, they shall inform the Board of Directors of Sociedad de Bolsas, so that the Board could decide to start the procedure or not.

b) Justification Report

The Board of Directors of Sociedad de Bolsas shall receive an explanation report from the Index Management Secretariat, which shall contain the corresponding resolution proposal.

The Index Management Secretariat shall finish and provide the report together with the corresponding proposal, within the period of time specified by the Board of Directors.

In the case that the justification report is favorable to the benchmark cessation, it shall contain solid proposals in relation to an appropriate timeframe, alternative benchmarks to be offered to the licensees, possibility of making a transition with the continuity of existing benchmarks to permit existing contracts to migrate to an alternative benchmark if necessary, and any other measures that the Secretariat considers appropriate to ease the transition.

The Secretary shall include in the report the outcome of the consultations made, to this effects, to the Stakeholders in relation to the affected products, maturity dates, and timeframe for the discontinuity. For this purpose the Secretariat shall circulate a questionnaire, and in any case, shall carry out a direct consultation with the top five clients based in the mentioned questionnaire.



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c) Evaluation and Decision

Taking the decision about the continuity or the termination of the benchmark, and any other related questions as well, shall correspond to the Sociedad de Bolsas' Board of Directors.

In any case, the Board of Directors shall take the following steps:

c.1. Notification in advance

In case the need or convenience to discontinue the benchmark is identified, it shall be announced with a sufficient time in advance, this period shall be at least three months, except in cases of force majeure.

c.2. Parallel Benchmarks

In case of offering a new benchmark, Sociedad de Bolsas, where feasible, shall 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.

c.3. Search for continuity Alternatives

Sociedad de Bolsas shall give its licensees criteria to guide the selection of a credible, alternative Benchmark, and in any case shall comply with that stipulated in the contract particularly in those paragraphs related to the benchmark termination.