

# FREIGHTWAVES DATA PROVIDER CODE OF CONDUCT



## **FreightWaves Data Provider Code of Conduct**

**Version 1.0**  
**March 25, 2022**

### **Introduction**

The integrity of the FreightWaves, Inc. (“FreightWaves”) Indices (the “Indices”) is based on the integrity and accuracy of the data provided by data contributors. This code of conduct (the “Code of Conduct”) provides the responsibilities, requirements and expectations of members of the contribution panel that constitute Data Contributions (the “Data Contributor(s)”).

Data Contributors are expected to have controls and processes in place to ensure the quality, accuracy and completeness of the data submitted, including ways to identify, manage, mitigate and avoid potential or existing incentives for manipulation of data or otherwise influence data inputs. Data Contributors are ultimately responsible for ensuring the data contributions are accurate, complete and meet the requirements of this Code of Conduct and any agreements in place between Data Contributor and FreightWaves.

### **Data Contribution Requirements**

FreightWaves performs various data checks as part of its data quality control processes with respect to the data submitted by Data Contributors to validate data and confirm the data providers’ adherence to this Code of Conduct. FreightWaves also conducts annual data assessments with the intent to improve data submissions.

Requirements for data submissions by Data Contributors:

- Data Contributors shall timely provide all mandatory data in the agreed-upon format (including complying with any required templates provided) and in the same frequency of the index (or more frequently) or in such frequency as may be set forth in any agreement by and between FreightWaves and a Data Contributor.
- Data Contributors shall respect the deadlines of FreightWaves for submissions of data as set forth in the agreements between FreightWaves and Data Contributors.
- Data Contributors shall notify FreightWaves as soon as possible if the Data Contributor determines there has been misconduct by the data provider in the data provision process regarding the Indices, including any identified suspicious or anomalous data.
- Data Contributors will notify FreightWaves of any errors identified after the provisioning of data to FreightWaves in a timely manner.
- Data Contributors will cooperate with FreightWaves inquiries and reasonably provide evidence as necessary to support audits and investigations relative to data provisioning.
- If any agreement by and between FreightWaves and a Data Contributor permits or if there exists no agreement by and between FreightWaves and a Data Contributor in the event a Data Contributor elects to desist from contributing conforming data as provided herein, it shall provide FreightWaves 30 days advance notice of such intent. This provision shall not modify any contract for the provisioning of data.

Noncompliance with this Code of Conduct may result in exclusion of Data Contributor in whole or in part from the Indices and may result in the rejection of provisioned data. FreightWaves has defined rules on how to manage non-compliance with this Code of Conduct by a Data Contributor. Any data that is

queried by FreightWaves and to which a Data Contributor fails to provide adequate explanation will be excluded from the Indices. Any exceptions to any rules regarding this Code of Conduct or otherwise relating to the Indices shall be escalated to the FreightWaves Index Management Committee.

### **System and Control Standards for Data Contributors**

The International Organization of Securities Commissions (“IOSCO”) has issued a [Principles for Financial Benchmarks](#) (July 2013) (“IOSCO Principles”) that provide an aspirational set of principles for administrators of indexes and data submitters that support indices. The IOSCO Principles provide a framework for benchmarks used in financial markets. FreightWaves has implemented various processes and procedures directed at complying with the IOSCO Principles. The IOSCO Principles include a set of standards for a data submitter’s internal systems and controls (see Principle 14(g)) regarding index-supported data submissions that are set forth below and which FreightWaves supports implementation of:

The submitters’ internal systems and controls, which should include<sup>1</sup>:

- i. Procedures for submitting inputs, including Methodologies to determine the type of eligible inputs, in line with the Administrator’s Methodologies;
- ii. Procedures to detect and evaluate suspicious inputs or transactions, including intergroup transactions, and to ensure the Bona Fide nature of such inputs, where appropriate;
- iii. Policies guiding and detailing the use of Expert Judgment, including documentation requirements;
- iv. Record keeping policies;
- v. Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;
- vi. Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime);
- vii. Suspicious Submission reporting;
- viii. Roles and responsibilities of key personnel and accountability lines;
- ix. Internal sign-off procedures by management for submitting inputs;
- x. Whistle blowing policies (in line with Principle 4); and,
- 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 interest that 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.

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<sup>1</sup> *The internal systems and controls are recommended by the IOSCO systems and controls are contained in the IOSCO Principles, which are referenced herein and to the extent they reference definitions such definitions are also adopted herein. Visit the [IOSCO webpage](#) for more information.*



## **Data Providers and Users in the European Union**

This section contains important information relative to the European Union Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “BMR”).

Currently there are no Indices that are eligible for regulated use under the BMR. Any Data Contributors that are subject to the regulations of the European Union relative to data contributions must be pre-approved by FreightWaves prior to contributing and must comply with European Union Regulation (EU) 2016/1011.

All BMR-regulated uses of any Indices must be authorized in advance and in writing by FreightWaves. Requests may be submitted to [legal@freightwaves.com](mailto:legal@freightwaves.com)

## **Inquiries**

### **By Mail:**

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