

## DSB GOVERNANCE POLICY

### 1 GENERAL

- 1.1 This DSB Governance Policy (**DGP**) sets out the governance structure and processes that will apply to the DSB Services that the DSB will provide to the User.
- 1.2 This DGP forms part of the Agreement agreed between the User and the DSB. Defined terms shall have the same meaning as set out in the main terms of the Agreement and as otherwise set out herein.

### 2 GOVERNANCE

- 2.1 The Derivatives Service Bureau (DSB) is a fully automated generator of International Securities Identification Numbers (ISINs) for OTC Derivatives (more information available at <http://www.anna-web.org/home/derivatives-service-bureau/>).

#### 2.2 What is the DSB?

- (a) a technology numbering platform providing ISIN services operating on a cost recovery basis.
- (b) within its scope of OTC Derivatives, it provides the industry with an archive of ISINs and their associated instrument reference data.
- (c) it is global in design and operation.

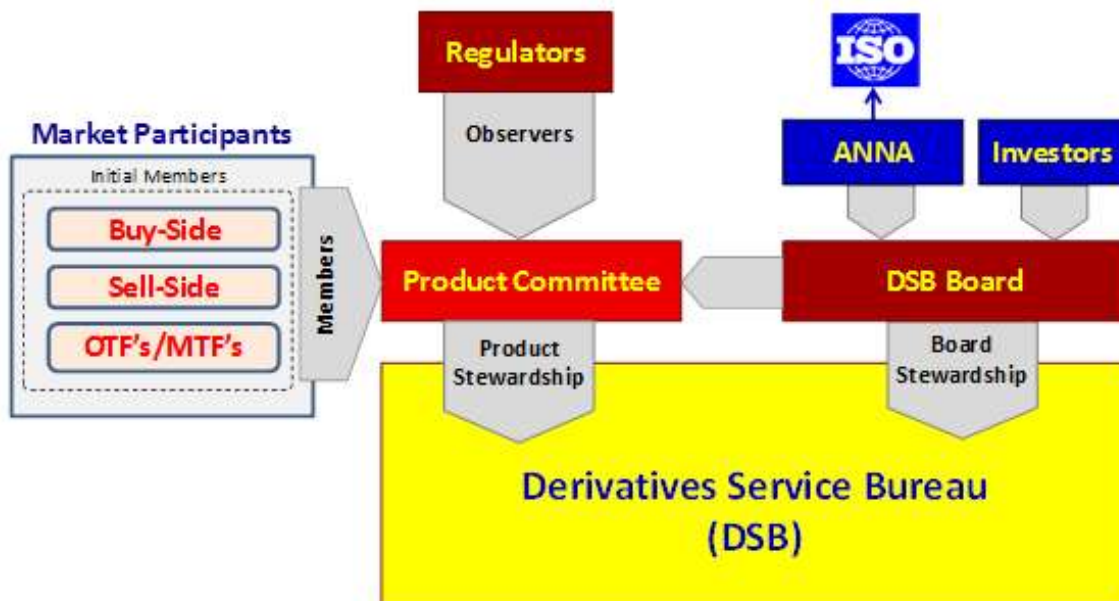
#### 2.3 What does the DSB do?

- (a) ISIN creation for new OTC Derivatives product as required by market participants.
- (b) distribution of ISINs and their associated reference data to market participants.
- (c) interaction options include web interface, ReST API & FIX direct connectivity and file download.

#### 2.4 DSB Drivers

- (a) EU regulators have mandated that ISINs identify instruments for MiFID2 / MiFIR reporting, including some OTC Derivatives.
- (b) the DSB will be the sole source of ISINs for OTC Derivatives and was engineered to serve the needs of regulators and industry participants, to enable the industry to meet January 2018 deadlines.
- (c) global solution aligned with requirements of CPMI-IOSCO UPI initiative.

- 2.5 Created by the Association of National Numbering ("**ANNA**") as a subsidiary special purpose vehicle, the DSB will be governed by a board of directors alongside an industry Product Committee that determines the specifications for ISINs representing a broad range of derivative types, as well as maintaining the technical integrity of the ISIN. The proposed structure of the DSB is illustrated in the graphic below.



2.6 Governance of the DSB is effected by the business and technical requirements imposed by the International Organization for Standardization (“ISO”) on numbering agency operations. Oversight and enforcement is the responsibility of ANNA, which serves as the ISIN Registration Authority under contract with the ISO. These ISO requirements include pricing of numbering agency services on a cost-recovery basis.

### DSB PRODUCT COMMITTEE

- 2.7 The DSB Product Committee is an industry group that works beside the board of the DSB (the “**Product Committee**”). Continuing the work of the ISO study group tasked with defining the ISIN for OTC Derivatives, the Product Committee oversees the definitions of a broad range of OTC Derivatives and how they translate into data requirements for allocation of these identifiers. They also support the development and inclusion of descriptive taxonomies used to identify OTC Derivatives.
- 2.8 The Product Committee is comprised of a balanced group of experts from firms that are subject to the regulatory requirement to report OTC Derivative transactions — buy-side, sell-side and trading venues. The names of the current members of the Product Committee and more detailed information on their role in the Derivatives Service Bureau can be found on the Website.
- 2.9 The Product Committee is also engaged in open industry consultations to determine parameters and direction of their work. More information on these consultations can be found, as they are launched, in the Consultation pages of the DSB website.
- 2.10 Minutes of the meetings of the Product Committee are posted on the DSB website at <http://www.anna-web.org/dsb-product-committee/>

### ISIN TERMS OF REFERENCE

- 2.11 **Initial OTC ISIN design must be:**
- (a) fully consistent with the ISO 6166 standard;
  - (b) meet the expectations of the ISO leadership, including the generation of CFI and FISN codes;

- (c) must be extensible to multiple jurisdictions (generally) and as far as reasonably possible, consistent with CPMI-IOSCO's thinking on UPI; and
- (d) leverage the ISO SG2 analysis for the initial design of the OTC ISIN wherever the Product Committee deems the SG2 analysis to be appropriate

**2.12 Initial OTC ISIN implementation:**

- (a) must meet the requirements of MiFID II as articulated by the ESMA observer on the Product Committee; and
- (b) must be implemented within the timelines for MiFID II go-live.

**3 OTHER**

3.1 This Governance Policy will be periodically reviewed and updated by the DSB in accordance with clauses 1.2 and 1.3 of the Agreement.

**4 DISPUTES AND RESOLUTION**

4.1 The parties shall attempt in good faith to negotiate a settlement of any dispute between them arising out of or in connection with this Agreement.

4.2 If the dispute cannot be resolved by the parties pursuant to paragraph 4.1 the dispute may, by agreement between the parties, be referred to mediation in accordance with the CEDR Model Mediation Procedure. The costs of the mediation shall be shared equally.

4.3 The performance of this Agreement shall not be suspended, cease or be delayed by the reference of a dispute to mediation and the Users shall fully comply with the requirements of this Agreement at all times.

4.4 Unless otherwise agreed between the parties, the mediator will be nominated by CEDR. The parties shall meet the mediator within fourteen (14) days of his/her appointment to agree on procedures concerning the mediation negotiations and exchange of relevant information.

4.5 Unless otherwise agreed, all negotiations connected with the dispute and any settlement shall be conducted in confidence and without prejudice to the rights of the parties in any future proceedings.

4.6 If the parties reach agreement on the resolution of the dispute, the agreement shall be put down in writing and be binding on the parties once it is signed by their duly authorized representatives.

4.7 If the parties fail to reach agreement on the resolution of the dispute, either party may request the mediator to provide a non-binding but informative opinion in writing. Such opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Agreement without the prior written consent of both parties.

4.8 If the parties fail to reach agreement within hundred and twenty (120) days of the mediator being appointed, or such longer period as may be agreed by the parties, then any dispute or difference may be referred to the courts in accordance with clause 20.8 and clause 20.9 of the Agreement.

4.9 This paragraph 4 shall survive termination of this Agreement.