

**CANDEAL BENCHMARK ADMINISTRATION SERVICES INC.**

CSAE 3000 Independent Limit Assurance Report as at April 30, 2024 -  
Term CORRA Interest Rate Benchmark

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## SECTION I - INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT

To the Directors of CanDeal Benchmark Administration Services Inc.

We have undertaken a limited assurance engagement of the accompanying Section II - Management Assertion ("management Assertion") related to Section III - Management's Control Procedures related to the requirements in Multilateral Instrument 25-102 Designated Benchmarks and Benchmark Administrators ("MI 25-102") and Ontario Securities Commission Rule 25-501 (Commodity Futures Act) Designated Benchmarks and Benchmark Administrators ("OSC Rule 25-501") specifically Section 5, Section 8 to Section 16, Section 26 and Section 34 (the "Control Procedures") of CanDeal Benchmark Administration Services Inc ("CBAS" or "the Entity") as at April 30, 2024.

### Management's Responsibility

Management is responsible for fairly presenting the activities and controls that CBAS has designed to (a) comply with section 5, 8 to 16, 26, and 34 of MI 25-102 and OSC Rule 25-501 and (b) follow the methodology for the calculation of the designated interest rate benchmark (the "applicable criteria").

Management is also responsible for the design, implementation and operation of the Control Procedures and such other internal control as management determines necessary to enable compliance with the applicable criteria and the preparation and fair presentation of the Management Assertion and Control Procedures that are free from material misstatement, whether due to fraud or error.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Management Assertion related to the Control Procedures based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the Management Assertion is not fairly stated, in all material respects.

In a limited assurance engagement, the practitioner performs procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluates the evidence obtained.

Our engagement included, amongst others, the following procedures:

- Reviewed supporting documentation including, but not limited to, relevant policies, procedures, accountability framework, calculation methodology, master service agreements, service level agreements, incident logs, management attestations, board of director meeting minutes and communications with regulators.
- Observed the policies and procedures, resources, contact information and disclosures made available to Term CORRA users and the public on the CBAS website.
- Inquired and discussed the relevant processes and controls with management personnel, process owners and staff who were responsible for preparation of the subject matter and/or performing the calculation of Term CORRA.
- Reviewed the design of processes and controls for calculating Term CORRA which include management's verification of the input and output data for Term CORRA and protection of the Term CORRA data as at April 30, 2024.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### **Our Independence and Quality Management**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Canadian Standard on Quality Management (CSQM) 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Conclusion**

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Section II - Management Assertion related to Section III - Management's Control Procedures, is not fairly presented, in all material respects.

#### **Purpose of Management's Control Procedures**

The Management Assertion and the Control Procedures have been prepared in accordance with the applicable criteria referred to above. As a result, the Management Assertion and the Control Procedures may not be suitable for another purpose.


Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
July 2, 2024

## SECTION II - MANAGEMENT ASSERTION

We have prepared Management’s Control Procedures in Section III for CanDeal Benchmark Administration Services Inc. (“CBAS”) as at April 30, 2024 (the “Control Procedures”) that relate to (a) CBAS’ compliance with sections 5, 8 to 16, 26, and 34 of Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* (“MI 25-102”) and Ontario Securities Commission Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* (“OSC Rule 25-501”) and (b) the process to follow the methodology for the calculation of the designated interest rate benchmark (the “applicable criteria”).

We confirm to the best of our knowledge and belief, that:

- The Control Procedures in Section III fairly present the activities and controls that CBAS has designed to:
  - a. Comply with sections 5, 8 to 16, 26 and 34, of MI 25-102 and OSC Rule 25-501; and
  - b. Follow the methodology for the calculation of the designated interest rate benchmark
- The Control Procedures are presented fairly and are in accordance with the applicable criteria.

Signed by:  
  
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Andrew Munn, Head of Benchmark Solutions  
CanDeal Benchmark Administration Services Inc.  
7/2/2024 | 12:50:50 PDT

## SECTION III - MANAGEMENT’S CONTROL PROCEDURES

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>5: Accountability framework requirements</b>		
5.(1)	<p>A designated benchmark administrator must establish, document, maintain and apply an accountability framework of policies and procedures that are reasonably designed to</p> <p>(a) ensure and evidence compliance with securities legislation relating to benchmarks, and</p> <p>(b) for each designated benchmark it administers, ensure and evidence that the designated benchmark administrator follows the methodology applicable to the designated benchmark.</p>	<p>CanDeal Benchmark Administration Services Inc. (<b>CBAS</b>)’s Governance, Control and Accountability Framework (<b>Control Framework</b>) has an overview of the governance, accountability and control environment established by CBAS to ensure and evidence compliance with Multilateral Instrument 25-102 <i>Designated Benchmarks and Benchmark Administrators (MI 25-102)</i>. It describes the responsibilities of the CBAS Board of Directors (<b>CBAS Board</b>), CBAS Compliance Officer and Oversight Committee.</p> <p>The Organizational Chart covers the responsibilities of the CBAS Compliance Officer, also Head of Benchmarks, and describes the interaction with specific CanDeal Group Inc. employees who provide information technology, legal, regulatory and risk support, and Data and Analytics (<b>DNA</b>) employees who perform the calculation services.</p> <p>The CBAS Compliance Officer is the first line of defense. The Compliance and Risk groups, which include the CanDeal Group Inc. Chief Compliance Officer and Director of Risk is the second line of defense. The Term CORRA Oversight Committee (<b>Oversight Committee</b>), which has an oversight role, is the third line of defense. The CBAS Compliance Officer reports to the CBAS Board.</p> <p>The Term CORRA methodology (“<b>Methodology</b>”) is documented and published. There is an incident log that tracks any technology issues and instances where the Methodology was not followed. This is shared with the Oversight Committee. CBAS’s policies and procedures to ensure that the Methodology is followed are built in the system that calculates Term CORRA and checks the integrity of the input and output data and documented in a monitoring, quality and escalation procedures document.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>5: Accountability framework requirements</b>		
5.(2)	<p>An accountability framework referred to in subsection (1) must specify how the designated benchmark administrator complies with each of the following:</p> <ul style="list-style-type: none"> <li>(a) Part 7;</li> <li>(b) subsection 2(5), paragraph 18(1)(c), sections 32 and 36 and subsection 39(7) as they relate to internal review or audit, a public accountant’s limited assurance report on compliance or a reasonable assurance report on compliance;</li> <li>(c) the policies and procedures referred to in section 12.</li> </ul>	<ul style="list-style-type: none"> <li>(a) CBAS has a record-keeping policy that sets out the policies and procedures to ensure that the books, records, and other documents necessary to account for its activities are following the applicable regulatory requirements.</li> <li>(b) CBAS has an audit policy that sets out how the audit obligations are fulfilled, specifically internal and external audits or reviews, and the monitoring of the implementation of remedial actions.</li> </ul> <p>Subsection 39(7) does not apply; CBAS has no contributors.</p> <p>The Methodology is published on CBAS’s website. The Control Framework indicates that the Oversight Committee will periodically review the Methodology of Term CORRA. This is documented in the mandate of the Oversight Committee. The document titled Procedures Applicable to Significant Changes or Cessation of Term CORRA Benchmark, available on CBAS’s website, sets out the process for the review of the Methodology.</p> <ul style="list-style-type: none"> <li>(c) CBAS’s Complaints, Price Challenge and Whistleblowing Policy, available on CBAS’s website, details the processes that ensure that price challenges, complaints and whistleblower tips are processed and addressed in a timely manner.</li> </ul>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>8: Control Framework</b>		
8.(1)	In this section, “control framework” means the policies, procedures and controls referred to in subsections (2), (3) and (4).	N/A
8.(2)	A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls that are reasonably designed to ensure that a designated benchmark is provided in accordance with this Instrument.	The Control Framework ensures Term CORRA is compliant with the CSA rules. The framework details the policies, procedures and controls that CBAS has in place for Term CORRA.
8.(3)	Without limiting the generality of subsection (2), a designated benchmark administrator must ensure that its control framework includes controls relating to all of the following: (a) management of operational risk, including any risk of financial loss, disruption or damage to the reputation of the designated benchmark administrator from any failure of its information technology systems; (b) business continuity and disaster recovery plans; (c) contingency procedures in the event of a disruption to the provision of the designated benchmark or the process applied to provide the designated benchmark.	(a) A Key Controls Inventory (KCI) has been developed for CBAS. It includes a description of the risks related to Term CORRA calculation and controls. Work continues and testing is expecting to take place later in 2024. (b) CBAS has a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP). (c) There are contingency procedures in the event of a disruption in the process to receive the data required to calculate Term CORRA or in the process to provide and distribute Term CORRA in place which include reading the “slots” over the phone, provided the identity of the individual providing the data is verified.



MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>8: Control Framework</b>		
8.(4)	A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls reasonably designed to (a) ensure that benchmark contributors comply with the code of conduct referred to in section 23 and the standards for input data in the methodology of the designated benchmark, (b) monitor input data before any publication relating to the designated benchmark, and (c) validate input data after publication to identify errors and anomalies.	CBAS has implemented checks and controls to monitor input data before publication and to validate input data after publication to identify errors and anomalies and they are documented in a data quality, monitoring and escalation procedure and the key controls inventory (KCI). The <i>Republication of Term CORRA Rates Policy</i> , available on CBAS's website, covers the process for dealing with errors identified after publication.
8.(5)	A designated benchmark administrator must promptly provide written notice to the regulator or securities regulatory authority describing any security incident or any systems issue relating to a designated benchmark it administers, if a reasonable person would consider that the security incident or systems issue is significant.	CBAS has an incident management procedure that outlines the processes for security and systems incidents and the reporting requirements to the securities regulatory authorities. CBAS has an incident reporting log that documents systems incidents, whether they were reported to the securities regulatory authorities and when.
8.(6)	A designated benchmark administrator must review and update its control framework on a reasonably frequent basis and at least once every 12 months.	CBAS's Control Framework was implemented in September 2023 at the time of designation of CBAS as a designated benchmark administrator and subsequently reviewed and discussed with the CBAS Board. The framework is reviewed annually.
8.(7)	A designated benchmark administrator must make its control framework available, on request and free of charge, to any benchmark user.	A CBAS control framework summary document is available on request and free of charge to any benchmark user.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>9: Governance Requirements</b>		
9.(1)	A designated benchmark administrator must establish and document its organizational structure.	CBAS has a formal Organizational Chart that outlines key personnel.
9.(2)	The organizational structure referred to in subsection (1) must establish well-defined roles and responsibilities for each person or company involved in the provision of a designated benchmark administered by the designated benchmark administrator.	CBAS has documented the roles and responsibilities for benchmark administration activities within an Accountability Framework. This document defines individuals and functions responsible for or providing support to CBAS or its related entities, such as, CanDeal Group Inc ( <b>CanDeal</b> ) or CanDeal Innovations Inc ( <b>Innovations</b> ).
9.(3)	<p>A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure that each of its benchmark individuals</p> <p>(a) has the necessary skills, knowledge, experience, reliability and integrity for the duties assigned to the individual, and</p> <p>(b) is subject to adequate management and supervision.</p>	<p>The policies and procedures to ensure that benchmark individuals have the necessary skills, knowledge, experience, reliability and integrity for the duties assigned and they are subject to adequate management and supervision are consistent to those followed by CanDeal with respect to all employees it hires.</p> <p>At the hiring stage, a job description is drafted setting out the competencies, experience and education requirements for each role. This is done by the hiring manager to ensure that it reflects the qualifications required for the job. The Human Resources group pre-screens all applicants to ensure that they meet the requirements of the job description, then the hiring manager reviews the selected candidates. A background and reference checks are conducted before hiring.</p> <p>Prior to onboarding, each employee is provided the CanDeal Code of Conduct to review and required to complete an acknowledgement that they received and understood it. Other documents are also provided, such as the compliance manual. Training is done on the job, through internal training sessions. Employees may attend external courses, conferences and seminars, as appropriate. Certain professional employees may have additional continuing education requirements to maintain their designations.</p> <p>In addition, all of CanDeal employees, including CBAS individuals<sup>1</sup>, that are required to undergo annual compliance training and self-certify that they have reviewed the compliance manual. Completion of mandatory training is logged by the CanDeal Compliance team.</p> <p>All employees have regular meetings with their managers to ensure, among others things, that they have the knowledge, skills and resources to execute their responsibilities and to ensure they are properly supervised. There are semi-annual and annual performance reviews to ensure that employees continue to have the appropriate qualifications for their job and perform adequately.</p>

<sup>1</sup> A CBAS Individual refers to DBA individual as defined in MI 25-102 and include an individual who is (a) a director, officer or employee of a designated benchmark administrator, or (b) an agent of a designated benchmark administrator who performs services on behalf of the designated benchmark administrator.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
9.(4)	A designated benchmark administrator must ensure that any information published by the benchmark administrator relating to a designated benchmark is approved by a manager of the designated benchmark administrator.	All information published by CBAS relating to a designated benchmark is approved by the CBAS Compliance Officer.

<sup>1</sup> A CBAS Individual refers to DBA individual as defined in MI 25-102 and include an individual who is (a) a director, officer or employee of a designated benchmark administrator, or (b) an agent of a designated benchmark administrator who performs services on behalf of the designated benchmark administrator.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>10: Conflicts of Interest</b>		
10.(1)	<p>A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to:</p> <ul style="list-style-type: none"> <li>(a) identify and eliminate or manage conflicts of interest involving the designated benchmark administrator and its managers, benchmark contributors, benchmark users, DBA individuals and any affiliated entity of the designated benchmark administrator,</li> <li>(b) ensure that the exercise of expert judgment by the benchmark administrator or DBA individuals is independently and honestly exercised,</li> <li>(c) protect the integrity and independence of the provision of a designated benchmark,</li> <li>(d) ensure that an officer referred to in section 6, or any DBA individual who reports directly to the officer, does not receive compensation or other financial incentive from which conflicts of interest arise or that otherwise adversely affect the integrity of the benchmark determination, and</li> <li>(e) ensure that each of its benchmark individuals is not subject to undue influence, undue pressure or conflicts of interest, including, for greater certainty, ensuring that each of the benchmark individuals <ul style="list-style-type: none"> <li>(i) is not subject to compensation or performance evaluations from which conflicts of interest arise or that otherwise adversely affect the integrity of the benchmark determination,</li> <li>(ii) does not have any financial interests, relationships or business connections that adversely affect the integrity of the designated benchmark administrator,</li> <li>(iii) does not contribute to a determination of a designated benchmark by way of engaging in bids, offers or trades on a personal basis or on behalf of market participants, except as permitted under the policies and procedures of the designated benchmark administrator, and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>a) The Conflicts of Interest Policy identifies sources of potential conflicts of interest, described mitigating factors and how the conflicts are managed.</li> <li>b) CBAS does not use expert judgement as the term is defined in MI 25-102.<sup>2</sup></li> <li>c) The Conflicts of Interest Policy and the Methodology both ensure that the provision of Term CORRA is independent and there is integrity of the process. Term CORRA is calculated by applying a independent methodology to data received from a third party (the Bourse of Montreal). There is a Restricted Trading Policy that completely prohibits or requires prior approval of trading by CBAS individuals and Oversight Committee members of certain products in order to ensure they do not have financial interests that may be create conflict with Term CORRA.</li> <li>d) &amp; e) Neither the CBAS Compliance Officer nor any of the CBAS individuals receive compensation or financial incentives that would give rise to conflicts of interest. CanDeal’s compensation structure does not allow for this. CBAS individuals are required to abide by a code of conduct and conflicts procedures applicable to all CanDeal employees. The Restricted Trade Policy restricts or outright prohibits trading by CBAS individuals in certain securities or derivatives.</li> </ul>

<sup>2</sup> MI 25-102 defined expert judgement as discretion exercised by (a) a designated benchmark administrator with respect to the use of input data in determining a benchmark, and (b) a benchmark contributor with respect to input data.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>10: Conflicts of Interest</b>		
	<p>(iv) is subject to policies and procedures to prevent the exchange of information that might affect a designated benchmark with the following, except as permitted under the policies and procedures of the designated benchmark administrator:</p> <p>(A) any other DBA individual if that individual is involved in an activity that results in a conflict of interest or a potential conflict of interest,</p> <p>(B) a benchmark contributor or any other person or company.</p>	
10.(2)	<p>A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to keep separate, operationally, the business of a designated benchmark administrator relating to the designated benchmark it administers, and its benchmark individuals, from any other business activity of the designated benchmark administrator if the designated benchmark administrator becomes aware of a conflict of interest or a potential conflict of interest involving the business of the designated benchmark administrator relating to any designated benchmark.</p>	<p>CBAS does not have other business activities other than that related to Term CORRA.</p> <p>CBAS's Conflicts of Interest Policy sets out the arrangements to identify, prevent, manage and disclose actual or potential conflicts of interest.</p> <p>In addition, the Oversight Committee members are required to declare any potential conflicts of interest and these are logged in a conflicts of interest register.</p>
10.(3)	<p>A designated benchmark administrator must promptly publish a description of a conflict of interest, or a potential conflict of interest, in respect of a designated benchmark</p> <p>(a) if a reasonable person would consider the risk of harm to any person or company arising from the conflict of interest, or the potential conflict of interest, is significant, and</p> <p>(b) on becoming aware of the conflict of interest, or the potential conflict of interest, including, for greater certainty, a conflict or potential conflict arising from the ownership or control of the designated benchmark administrator.</p>	<p>CBAS's Conflicts of Interest Policy has a requirement that CBAS promptly publish on its website a description of an actual or potential conflict of interest if a reasonable person would consider that the risk or harm to any person or company arising from the conflict of interest is significant.</p> <p>In CBAS's view, there have been no instances where conflicts of interest or potential conflicts of interests would have required prompt publication of a description.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>10: Conflicts of Interest</b>		
10.(4)	<p>A designated benchmark administrator must ensure that the policies and procedures referred to in subsection (1)</p> <p>(a) take into account the nature and categories of the designated benchmarks it administers and the risks that each designated benchmark poses to capital markets and benchmark users,</p> <p>(b) protect the confidentiality of information provided to or produced by the designated benchmark administrator, subject to the disclosure requirements under Part 5, and</p> <p>(c) identify and eliminate or manage conflicts of interest, including, for greater certainty, those that arise as a result of</p> <p>(i) expert judgment or other discretion exercised in the benchmark determination process,</p> <p>(ii) the ownership or control of the designated benchmark administrator or any affiliated entity of the designated benchmark administrator, and</p> <p>(iii) any other person or company exercising control or direction over the designated benchmark administrator in relation to determining the designated benchmark.</p>	<p>(a) CBAS's Conflicts of Interest Policy takes into account the nature and categories of the designated benchmark and risks to capital markets and benchmark users. CBAS's Conflicts of Interest Policy takes into account the nature of Term CORRA. For example, certain personnel are restricted from trading futures that are included in the input data used to calculate Term CORRA.</p> <p>(b) All CanDeal employees, including CBAS individuals, are required to comply with the CanDeal Code of Conduct, which has a section requiring them to protect the confidentiality of information provided to or produced by all of CanDeal's businesses. This would include CBAS. In addition, CBAS has its own <i>Confidentiality Policy</i> which applies to all employees, independent contractors and temporary staff of CBAS and CanDeal and members of the Oversight Committee and external consultants.</p> <p>The Oversight Committee members are required to comply with the <i>Code of Conduct for the Oversight Committee</i> which also addresses confidentiality.</p> <p>(c) The Conflicts Policy identifies and discusses inherent conflicts of interest, describes mitigating factors and the process to eliminate and manage conflicts. These include inherent conflicts related to the ownership of CBAS and its affiliated entities.</p>
10.(5)	<p>If a designated benchmark administrator fails to apply or follow a policy or procedure referred to in subsection (4), and a reasonable person would consider the failure to be significant, the designated benchmark administrator must promptly provide written notice of the significant failure to the regulator or securities regulatory authority.</p>	<p>CBAS's Conflicts of Interest Policy requires written notice to be provided to regulators, if CBAS fails to apply or follow a conflict policy and a reasonable person would consider the failure to be significant,.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>11: Reporting of Contraventions</b>		
11.(1)	<p>A designated benchmark administrator must establish, document, maintain and apply systems and controls reasonably designed to detect and promptly report to the regulator or securities regulatory authority any conduct by a DBA individual or a benchmark contributor that might involve the following:</p> <ul style="list-style-type: none"> <li>(a) manipulation or attempted manipulation of a designated benchmark;</li> <li>(b) provision or attempted provision of false or misleading information in respect of a designated benchmark.</li> </ul>	<p>(a) CBAS has a data quality monitoring and escalation procedure that requires indications of data manipulation or attempted manipulation to be referred to the securities regulatory authorities.</p> <p>CBAS also has the policy for reporting of contraventions that sets out the requirements for CBAS to report to the securities regulatory authority any conduct by CBAS individuals that might involve manipulation or attempted manipulation of Term CORRA or provision or attempted provision of misleading information in respect to Term CORRA.</p>
11.(2)	<p>A designated benchmark administrator must establish, document, maintain and apply policies and procedures for its DBA individuals to report any contravention of securities legislation relating to benchmarks to the officer referred to in section 6.</p>	<p>CBAS has a <i>Complaints, Price Challenge and Whistleblowing Policy (Policy)</i>. CBAS's website has a whistleblowing portal where anonymous and confidential whistleblowing concerns may be made. They can also be made over the phone. Concerns relating to CBAS would be forwarded to the CBAS Compliance Officer for investigations.</p> <p>All CBAS individuals and CanDeal employees conduct mandatory training of the complaints and whistleblowing policy upon joining the workforce.</p>
11.(3)	<p>A designated benchmark administrator must promptly provide written notice to the regulator or securities regulatory authority describing any conduct that it, or any of its DBA individuals, becomes aware of that might involve the following:</p> <ul style="list-style-type: none"> <li>(a) manipulation or attempted manipulation of a designated benchmark;</li> <li>(b) provision or attempted provision of false or misleading information in respect of a designated benchmark.</li> </ul>	<p>CBAS will follow its data quality monitoring and escalation procedure and the policy for reporting of contraventions to report the matters set out in subsection 11(3) of MI 25-102</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>12: Complaint Procedures</b>		
12.(1)	<p>A designated benchmark administrator must establish, document, maintain, apply and publish policies and procedures reasonably designed to ensure that the designated benchmark administrator receives, investigates and resolves complaints relating to a designated benchmark, including, for greater certainty, complaints in respect of each of the following:</p> <ul style="list-style-type: none"> <li>(a) whether a determination of a designated benchmark accurately and reliably represents that part of the market or economy the benchmark is intended to represent;</li> <li>(b) whether a determination of a designated benchmark was made in accordance with the methodology of the designated benchmark;</li> <li>(c) the methodology of a designated benchmark or any proposed change to the methodology.</li> </ul>	<p>CBAS has the <i>Complaints, Price Challenge and Whistleblowing Policy</i> that sets out the policies and procedures for complaints. It is posted on the website and covers complaints in respect of whether Term CORRA accurately and reliably represents the part of the market or economy it is intended to represent and whether a determination of Term CORRA was made in accordance with the Methodology.</p> <p>The Policy has a whistleblowing section to encourage reporting of conduct that may involve manipulation or attempted manipulation of Term CORRA.</p> <p>The Policy has a price challenge section that sets out the process for CBAS to ensure that it receives, investigates and resolves price challenges related to the Term CORRA. Price challenges are written objections to the accuracy of a published Term CORRA Price or of inputs to the calculation of a published Term CORRA price. To date, no complaints have been received.</p>
12.(2)	<p>A designated benchmark administrator must do all of the following:</p> <ul style="list-style-type: none"> <li>(a) provide a written copy of the complaint procedures at no cost to any person or company on request;</li> <li>(b) investigate a complaint in a timely and fair manner;</li> <li>(c) communicate the outcome of the investigation of a complaint to the complainant within a reasonable period;</li> <li>(d) conduct the investigation of a complaint independently of persons who might have been involved in the subject matter of the complaint.</li> </ul>	<p>The <i>Complaints, Price Challenge and Whistleblowing Policy</i> sets out the complaints handling process and timelines for investigating the complaints. It also requires that the outcomes of complaints investigations be communicated promptly and in clear language to complainants. It is available on CBAS's website.</p> <p>CBAS has a reporting tool for internal and external complaints, available on its website.</p> <p>CBAS also maintains a complaints log. To date, no complaints have been received.</p>



MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>13: Outsourcing</b>		
13.(1)	<p>A designated benchmark administrator must not outsource a function, service or activity relating to the administration of a designated benchmark in such a way as to significantly impair any of the following:</p> <p>(a) the designated benchmark administrator’s control over the provision of the designated benchmark;</p> <p>(b) the ability of the designated benchmark administrator to comply with securities legislation relating to benchmarks.</p>	<p>One outsourced function related to the provision of Term CORRA is the calculation of the benchmark. This is outsourced to Innovations, a related party of CBAS, through its DNA division as calculating agent.</p> <p>CBAS also outsources certain administrative functions, most notably, technology, finance and legal and certain compliance, to CanDeal.</p> <p>The CBAS Outsourcing Policy sets out the policy to ensure that, when CBAS outsources any functions, the method of outsourcing does not significantly impair CBAS’s control over the provision of Term CORRA or its ability to comply with regulatory requirements.</p>
13.(2)	<p>A designated benchmark administrator that outsources a function, service or activity in the provision of a designated benchmark must establish, document, maintain and apply policies and procedures reasonably designed to ensure that</p> <p>(a) the person or company performing the function or activity or providing the service has the ability, capacity, and any authorization required by law, to perform the outsourced function or activity, or provide the service, reliably and effectively,</p> <p>(b) the designated benchmark administrator maintains records documenting the identity and the tasks of the person or company performing the function or activity or providing the service and that those records are available in a manner that permits them to be provided to the regulator or, in Québec, the securities regulatory authority, in a reasonable period,</p> <p>(c) the designated benchmark administrator and the person or company to which a function, service or activity is outsourced enter into a written agreement that</p> <p>(i) imposes service level requirements on the person or company,</p> <p>(ii) allows the designated benchmark administrator to terminate the agreement when appropriate,</p> <p>(iii) requires the person or company to disclose to the designated benchmark administrator any development that may have a</p>	<p>CBAS’s Outsourcing Policy has policies and procedures covering, among others, requirements to:</p> <ul style="list-style-type: none"> <li>• conduct due diligence on potential service providers;</li> <li>• maintain records documenting the identity of the service providers and tasks performed;</li> <li>• conduct reasonable supervision of the outsourced function, service or activity and manage;</li> <li>• take reasonable measures if CBAS becomes aware of any circumstances indicating that the entity performing the outsourced service is not performing the outsourced function;</li> <li>• enter into a written agreement with the service provider; and</li> <li>• maintain ability of regulators to access books and records of the service provider.</li> </ul> <p>DNA is a division of Innovations.</p> <p>CBAS has a management services agreements with Innovations and CanDeal.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
13: Outsourcing	<p>significant impact on the person or company’s ability to perform the outsourced function or activity, or provide the outsourced service, in compliance with applicable law,</p> <p>(iv) requires the person or company to cooperate with the regulator or securities regulatory authority regarding a compliance review or investigation involving the outsourced function, service or activity,</p> <p>(v) allows the designated benchmark administrator to directly access</p> <p>(i) the books, records and other documents related to the outsourced function, service or activity, and</p> <p>(ii) the business premises of the person or company, and</p> <p>(vi) requires the person or company to keep sufficient books, records and other documents to record its activities relating to the designated benchmark and to provide the designated benchmark administrator with copies of those books, records and other documents on request,</p> <p>(d) the designated benchmark administrator takes reasonable measures if the administrator becomes aware of any circumstances indicating that the person or company to which a function, service or activity is outsourced might not be performing the outsourced function or activity, or providing the outsourced service, in compliance with this Instrument or with the agreement referred to in paragraph (c),</p> <p>(e) the designated benchmark administrator conducts reasonable supervision of the outsourced function, service or activity and manages any risks to the designated benchmark administrator or to the accuracy or reliability of the designated benchmark resulting from the outsourcing,</p> <p>(f) the designated benchmark administrator retains the expertise that a reasonable person would</p>	

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>13: Outsourcing</b>		
	<p>consider necessary to conduct reasonable supervision of the outsourced function, service or activity and to manage any risks to the designated benchmark administrator or to the accuracy or reliability of the designated benchmark resulting from the outsourcing, and</p> <p>(g) the designated benchmark administrator takes steps, including developing contingency plans, that a reasonable person would consider necessary to avoid or mitigate operational risk related to the person or company performing the function or activity or providing the service.</p>	
13.(3)	<p>A designated benchmark administrator that outsources a function, service or activity in the provision of a designated benchmark must ensure that the regulator or securities regulatory authority has reasonable access to</p> <p>(a) the applicable books, records and other documents of the person or company performing the function or activity or providing the service, and</p> <p>(b) the applicable business premises of the person or company performing the function or activity or providing the service.</p>	<p>CBAS's outsourcing policy requires CBAS to ensure that the regulator or securities regulatory authority have reasonable access to the books and records and premises of the service provider, in this case, Innovations, as DNA is the calculation agent for CBAS.</p> <p>The management services agreements require that Innovations and CanDeal cooperate and share information with the regulators.</p> <p>Both Innovations and CanDeal share the same premises with CBAS and access to its books and records related to performance of functions outsourced by CBAS is not impeded.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>14: Input Data</b>		
14.(1)	<p>A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure that all of the following are satisfied in respect of input data used in the provision of a designated benchmark:</p> <p>(a) the input data, in aggregate, is sufficient to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to represent;</p> <p>(b) the input data will continue to be reliably available;</p> <p>(c) if appropriate transaction data is available to satisfy paragraphs (a) and (b), the input data is transaction data;</p> <p>(d) if appropriate transaction data is not available to satisfy paragraphs (a) and (b), the designated benchmark administrator uses, in accordance with the methodology of the designated benchmark, relevant and appropriate estimated prices, quotes or other values as input data;</p> <p>(e) the input data is capable of being verified as being accurate, reliable and complete.</p>	<p>The Methodology covers the methodology for calculating the Term CORRA benchmark. The system that receives input data from the TMX, validates this data, performs the calculations and disseminates the rates for distribution by TMX was designed to ensure that Term CORRA is calculated in accordance with the Methodology.</p> <p>[The data used comprises the executed transactions and executable bids and offers in TMX CORRA futures from the Montreal Exchange (<b>MX</b>). This data is sufficient to ensure Term CORRA accurately and reliably represents the CORRA overnight index swap rate for the 1 and 3 month tenor.</p> <p>The methodology is designed to ensure:</p> <ul style="list-style-type: none"> <li>• Adequate representation of the Term CORRA, since the data is taken from a two-hour interval from 10-12pm EST and from intervals during this period in which there was sufficient liquidity; and</li> <li>• There is a fall-back methodology in case there is no sufficient liquidity.</li> </ul> <p>The input data is sourced from the MX and received from the TMX. It represents executed trades or executable bids and offers and, it is capable of being independently verified as being accurate, reliable and complete.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>14: Input Data</b>		
14.(2)	<p>A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls that are reasonably designed to ensure that input data for a designated benchmark is accurate, reliable and complete and that include all of the following:</p> <ul style="list-style-type: none"> <li>(a) criteria for determining who may act as benchmark contributors and contributing individuals;</li> <li>(b) a process for determining benchmark contributors and contributing individuals;</li> <li>(c) a process for assessing a benchmark contributor's compliance with the code of conduct referred to in section 23;</li> <li>(d) a process for applying measures that a reasonable person would consider appropriate in the event of a benchmark contributor failing to comply with the code of conduct referred to in section 23;</li> <li>(e) if appropriate, a process for stopping a benchmark contributor from contributing further input data;</li> <li>(f) a process for verifying input data to ensure its accuracy, reliability and completeness.</li> </ul>	N/A - CBAS does not use benchmark contributors as defined in Mi 25-102. <sup>3</sup>
14.(3)	<p>If a reasonable person would consider that the input data results in a designated benchmark that does not accurately and reliably represent that part of the market or economy the designated benchmark is intended to represent, the designated benchmark administrator must do either of the following:</p> <ul style="list-style-type: none"> <li>(a) within a reasonable time, change the input data, the benchmark contributors or the methodology of the designated benchmark in order to ensure that the designated benchmark accurately and reliably represents that part of the market or economy the designated benchmark is intended to represent;</li> <li>(b) cease to provide the designated benchmark.</li> </ul>	<p>The Methodology document states that if the fallback methodology, which is to be used if there is insufficient liquidity to calculate the Term CORRA, is used by more than 10 consecutive business days, CBAS will assess potential changes to the calculation methodology to ensure its robustness. To date, the fallback methodology has not been used more than 10 consecutive days.</p> <p>The process for making changes or cessation of Term CORRA is set out in CBAS's <i>Procedures Applicable to Significant Changes or Cessation of Term CORRA Benchmark</i> document. The document sets out the procedures to ensure that the process for any changes in the Methodology is in compliance with the requirements in MI 25-102. These include public notification of the proposed changes, a process to consider public feedback, and a description of the role of the Oversight Committee in the process.</p>

<sup>3</sup> A benchmark contributor is defined in MI 25-102 as a person or company that engages or participates in the provision of information for use by a benchmark administrator for the purpose of determining a benchmark.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>14: Input Data</b>		
14.(4)	A designated benchmark administrator must promptly provide written notice to the regulator or securities regulatory authority if the designated benchmark administrator is required to take an action under paragraph (3)(a) or (b).	The <i>Procedures Applicable to Significant Changes or Cessation of Term CORRA Benchmark</i> documents the process to be followed in the event of a change to the input data, Methodology or to cease the benchmark.
14.(5)	A designated benchmark administrator must publish both of the following: (a) the policies and procedures referred to in subsection (1) regarding the types of input data, the priority of use of the different types of input data and the exercise of expert judgment in the determination of a designated benchmark; (b) the methodology of the designated benchmark.	The Methodology, including a description of the input data, is published and available on CBAS's website.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>15: Contribution of Input Data</b>		
15.(1)	For the purpose of paragraph 14(1)(a) in respect of a designated benchmark that is based on input data from benchmark contributors, the designated benchmark administrator must obtain, if a reasonable person would consider it to be appropriate, input data from a representative sample of benchmark contributors.	N/A - CBAS's Methodology does not use benchmark contributors.
15.(2)	A designated benchmark administrator must not use input data from a benchmark contributor if (a) a reasonable person would consider that the benchmark contributor has breached the code of conduct referred to in section 23, and (b) a reasonable person would consider that the breach is significant.	N/A - CBAS's Methodology does not use benchmark contributors.
15.(3)	If the circumstances referred to in subsection (2) occur, and if a reasonable person would consider it to be appropriate, a designated benchmark administrator must obtain alternative representative data in accordance with the policies and procedures referred to in subsection 16(3).	N/A - CBAS's Methodology does not use benchmark contributors.
15.(4)	If input data is contributed from any front office of a benchmark contributor, or of an affiliated entity of a benchmark contributor, that performs any activities that relate to or might affect the input data, the designated benchmark administrator must (a) obtain information from other sources, if reasonably available, that confirms the accuracy, reliability and completeness of the input data in accordance with its policies and procedures, and (b) ensure that the benchmark contributor has in place internal oversight and verification procedures that a reasonable person would consider adequate.	N/A - CBAS's Methodology does not use benchmark contributors.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>15: Contribution of Input Data</b>		
15.(5)	In this section, “front office” means any department, division or other internal grouping of a benchmark contributor, or any employee or agent of a benchmark contributor, that performs any pricing, trading, sales, marketing, advertising, solicitation, structuring or brokerage activities on behalf of the benchmark contributor.	N/A - CBAS’s Methodology does not use benchmark contributors.



MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>16: Methodology</b>		
16.(1)	<p>A designated benchmark administrator must not follow a methodology for determining a designated benchmark unless all of the following apply:</p> <ul style="list-style-type: none"> <li>(a) the methodology is sufficient to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to represent;</li> <li>(b) the methodology identifies how and when expert judgment may be exercised in the determination of the designated benchmark;</li> <li>(c) the accuracy and reliability of the methodology, with respect to determinations made under it, is capable of being verified, including, if appropriate, by back-testing;</li> <li>(d) the methodology is reasonably designed to ensure that a determination under the methodology can be made in all reasonable circumstances, without compromising the accuracy and reliability of the methodology;</li> <li>(e) a determination under the methodology is capable of being verified as being accurate, reliable and complete.</li> </ul>	<p>The Methodology, which describes the methodology for calculating the Term CORRA interest rate benchmark is published on CBAS’s website. Please see the discussion of the Methodology in the response to Section 14(1) above.</p> <ul style="list-style-type: none"> <li>(a) The input data comprises executed transactions and executable bids and offers for futures traded on the MX. There is a historical record of the data, which permits verification that the data used is accurate, reliable and complete.</li> <li>(b) No expert judgement as defined in MI 25-0102 is used in calculating the benchmark.</li> <li>(c) Please also see the answer to paragraph (a) above. There is a historical record of the data, which ensures that it is also capable of being verified including, if appropriate, by back-testing. This record is maintained in the system.</li> <li>(d) The Methodology relies on executed transactions and committed bids and offers. It also has a fallback calculation procedures in case there are insufficient transactions to calculate Term CORRA. This ensures that a determination can be made in all reasonable circumstances, applying calculations that are transparent and reliable.</li> <li>(e) Historical data based on which the Term CORRA calculations are made can be made available so that the calculations can be independently verified as being accurate, reliable and complete.</li> </ul>
16.(2)	<p>A designated benchmark administrator must not implement a methodology for a designated benchmark unless the methodology,</p> <ul style="list-style-type: none"> <li>(a) when it is prepared, takes into account all of the applicable characteristics of that part of the market or economy the designated benchmark is intended to represent,</li> <li>(b) if applicable, determines what constitutes an active market for the purposes of the designated benchmark, and</li> <li>(c) establishes the priority to be given to different types of input data.</li> </ul>	<ul style="list-style-type: none"> <li>(a) &amp; (b) The Methodology states that Term CORRA is a forward-looking measurement of the Canadian Overnight Repo Rate Average (<b>CORRA</b>), which will be the primary interest rate benchmark in Canada once CDOR is retired. Since it is a forward looking rate, it is appropriately calculated by using 1- and 3-month CORRA futures, which trade on the MX, as input data. Using the transaction and bid/offer data for futures from the MX ensures that this data is complete since they are all traded on the MX</li> <li>(c) The Methodology prioritizes transaction data and, where insufficient transaction data is available, executable bids and offers are used.</li> </ul>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>16: Methodology</b>		
16.(3)	<p>A designated benchmark administrator must establish, document, maintain, apply and publish policies and procedures that</p> <p>(a) identify the circumstances in which the quantity or quality of input data falls below the standards necessary for the methodology to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to represent, and</p> <p>(b) indicate whether and how the designated benchmark is to be determined in those circumstances.</p>	<p>The Methodology specifies the contribution criteria and how Term CORRA rates are calculated and steps to be taken when:</p> <ul style="list-style-type: none"> <li>• there are insufficient transactions in a specific time interval (in which case input data will include executable bids/offers); and</li> <li>• there are insufficient orders or transactions, in which case the Level 2 Methodology is used as a fallback Methodology.</li> </ul> <p>The Methodology also indicates that, if the Level 2 methodology is used for more than 10 consecutive business days, this could be an indication that the Methodology may need to be amended, the long term viability of the Term CORRA rate should be reconsidered and/or the benchmark should cease being published.</p>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>26: Books, Records and Other Documents</b>		
26.(1)	A designated benchmark administrator must keep the books, records and other documents that are necessary to account for its activities as a designated benchmark administrator, its business transactions and its financial affairs relating to its designated benchmarks.	<p>CBAS has the record keeping policy and procedures which sets out the types of books and records maintained by CBAS. The record keeping policy and procedures specify that physical and electronic records are kept for at least seven years from the date the record is created or received by CBAS.</p> <p>The records kept by CBAS include:</p> <ul style="list-style-type: none"> <li>• all the input data received to calculate Term CORRA;</li> <li>• Term CORRA calculations;</li> <li>• records of issues and updates and an incident log;</li> <li>• a complaints log;</li> <li>• financial records;</li> <li>• records of public inquiries and complaints; and</li> <li>• email correspondence.</li> </ul>
26.(2)	A designated benchmark administrator must keep books, records and other documents of the following: <ul style="list-style-type: none"> <li>(a) all input data, including how the data was used;</li> <li>(b) if data is rejected as input data for a designated benchmark despite the data conforming to the methodology of the designated benchmark, the rationale for rejecting the input data;</li> <li>(c) the methodology of each designated benchmark administered by the designated benchmark administrator;</li> <li>(d) any exercise of expert judgment by the designated benchmark administrator in the determination of a designated benchmark, including the basis for the exercise of expert judgment;</li> <li>(e) changes in or deviations from policies, procedures, controls or methodologies;</li> <li>(f) the identities of contributing individuals and of benchmark individuals;</li> <li>(g) all documents relating to a complaint;</li> <li>(h) communications, including, for greater certainty, telephone conversations, between any benchmark individual and benchmark contributors or contributing individuals in respect of a designated benchmark administered by the designated benchmark administrator.</li> </ul>	<p>CBAS's record keeping policy and procedures lists the types of records that must be maintained. Data is maintained for 7 years. The types of records kept are as follows:</p> <ul style="list-style-type: none"> <li>• historical input data received;</li> <li>• calculation logs;</li> <li>• records of queries; and</li> <li>• communications regarding Term CORRA.</li> </ul>

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>26: Books, Records and Other Documents</b>		
26.(3)	A designated benchmark administrator must keep the records referred to in subsection (2) in a form that (a) identifies the manner in which the determination of a designated benchmark was made, and (b) enables an audit, review or evaluation of any input data, calculation, or exercise of expert judgment, including in connection with any limited assurance report on compliance or reasonable assurance report on compliance.	CBAS maintains the records in a medium and format that allows for independent verification of the manner in which the Term CORRA calculation was made and enables an audit, review or evaluation of any input data.
26.(4)	A designated benchmark administrator must retain the books, records and other documents required to be maintained under this section (a) for a period of 7 years from the date the record was made or received by the designated benchmark administrator, whichever is later, (b) in a safe location and a durable form, and (c) in a manner that permits those books, records and other documents to be provided promptly on request to the regulator or securities regulatory authority.	CBAS's system keeps the records referred to in paragraph 26(2) for Term CORRA for 7 years. The required records can be provided promptly on request to the regulator.

MI 25-102 Reference	MI 25-102 Requirement	Control Procedures
<b>34: Order of Priority of Input Data</b>		
34	For the purposes of subsection 14(1) and paragraph 14(5)(a), if a designated interest rate benchmark is based on a contribution of input data from a benchmark contributor, input data for the determination of the designated interest rate benchmark must be used by the designated benchmark administrator in accordance with the order of priority specified in the methodology of the designated interest rate benchmark.	N/A - CBAS's Methodology does not use benchmark contributors.