

EU BENCHMARKS REGULATION AND UK BENCHMARKS
REGULATION COMPLIANCE STATEMENT

J.P. MORGAN SECURITIES LLC

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A – General Information

1. Date of creation of this document and, where applicable, of the latest update to it	1. Created: September 2020 Last updated: December 2020.
2. Name of the Administrator	2. J.P. Morgan Securities LLC

The following section:

— *applies to the Administrator in respect of:*

- *EU Benchmarks Regulation, prior to the end of the “Brexit Transitional Period” (which, as of the date of this Compliance Statement, is scheduled to be 23:00 London time on December 31, 2020); and*
- *UK Benchmarks Regulation (which, together with the EU Benchmarks Regulation, are “the Regulations”), following the end of the Brexit Transitional Period,*

— *identifies the non-significant benchmark or non-significant benchmarks in respect of which provisions do not apply,*

— *identifies the provisions that the Administrator has chosen not to apply, and*

— *explains why it is appropriate for the Administrator not to comply with each such provision.*

If this document relates to a family of non-significant benchmarks provided by the Administrator, a separate section must be completed for each set of benchmarks in respect of which:

— *the provisions that the Administrator chooses not to apply are the same for all those benchmarks, and*

— *for each provision, the explanation why it is appropriate for the Administrator not to comply with the provision is the same for all those benchmarks.*

B – J.P. Morgan Securities LLC chooses not to apply the following provisions of the Regulations in respect of the non-significant benchmark or non-significant Benchmarks identified below

1. The benchmark or benchmarks in respect of which the provision(s) do not apply	1. All benchmarks produced by the Administrator
2. i) The provision or provisions of the Regulations that do not apply; ii) For each provision, the reasons why it is appropriate for the Administrator not to comply with that provision	2(i). Number of the Article and paragraph of the Regulations and full text of each single provision Article 4(8) An administrator shall establish specific internal control procedures to ensure the integrity and reliability of the employee or

	<p>person determining the benchmark, including at least internal sign-off by management before the dissemination of the benchmark.</p>
	<p>2(ii). Explanation on the appropriateness of the non-compliance for each specific provision</p> <p>Article 4(8)</p> <p>The Administrator has various control procedures in place to ensure the integrity and reliability of its benchmark calculations. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • The Administrator’s benchmarks are calculated using pre-defined rules-based methodologies. • There are established guidelines and processes on the use of any expert judgement a contributor may use in contributing input data to the Administrator. These established guidelines and processes are confirmed in the Code of Conduct established by the Administrator and adhered to by the contributor. • There is a committee responsible for the creation, operation and day-to-day management of the benchmarks. • Controls are in place in relation to the: (i) competency of staff; (ii) oversight of calculation agents; (iii) calculation agent contingency plans; and (iv) data collection. <p>Therefore, the Administrator considers it appropriate not to require internal sign-off by management before the dissemination of a benchmark (i.e. before the publication of a benchmark level) on the above basis.</p>
	<p>2(i). Number of the Article and paragraph of the Regulations and full text of each single provision</p> <p>Article 13(2)</p>

	<p>The procedures required under point (c) of paragraph 1 shall provide for:</p> <p>(a) advance notice, with a clear time frame, that gives the opportunity to analyse and comment upon the impact of such proposed material changes; and</p> <p>(b) the comments referred to in point (a) of this paragraph, and the Administrator's response to those comments, to be made accessible after any consultation, except where confidentiality has been requested by the originator of the comments.</p>
	<p>2(ii). Explanation on the appropriateness of the non-compliance for each specific provision</p> <p>Article 13(2)</p> <p>The Administrator has in place procedures for making changes to its methodologies and a process for consulting on those changes with stakeholders within a reasonable time, where appropriate.</p> <p>In relation to Article 13(2)(a), it may be necessary for the Administrator to proceed with a material change to a benchmark's methodology in accordance with its procedures mentioned above without delay, for example to protect the integrity of a benchmark where a market disruption event has occurred. Therefore, it will not be possible in all cases for the Administrator to provide advance notice of such a change.</p> <p>In relation to Article 13(2)(b), the Administrator also considers it appropriate not to specify in its procedures that consultation responses should be published in all cases except where confidentiality has been requested. The Administrator expects that the majority of its benchmark users will expect their feedback not to be made available to other users for confidentiality reasons.</p>