EU BENCHMARKS REGULATION COMPLIANCE STATEMENT

J.P. MORGAN SECURITIES PLC
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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: December 2019 Last updated: not applicable (first release). |
| 2. Name of the Administrator | 2. J.P. Morgan Securities plc |

The following section:
— 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 plc chooses not to apply the following provisions of Regulation (EU) 2016/1011 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 Regulation (EU) 2016/1011 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 Regulation (EU) 2016/1011 and full text of each single provision |

Article 4(2)

The provision of a benchmark shall be operationally separated from any part of an Administrator's business that may create an actual or potential conflict of interest.

| 2(ii). Explanation on the appropriateness of the non-compliance for each specific provision | Article 4(2) |
The Administrator considers it appropriate not to operationally separate the provision of its benchmarks from any part of its business that may create an actual or potential conflict of interest on the basis that it has controls in place to mitigate any conflicts of interest that might arise as a result of the internal structure of the Administrator. These controls include a global Conflicts of Interest Policy which requires the Administrator and employees to identify and manage actual, potential and perceived conflicts of interest, including by overseeing, maintaining and operating effective organisational, procedural and administrative arrangements and controls designed to manage any such conflicts.

In addition, the benchmarks are calculated using pre-set rules based methodologies and any changes to the methodologies need to be approved in accordance with the Administrator's methodology change procedures. In addition, the benchmarks rely primarily on widely available input data originating from regulated markets or exchanges. Benchmark users are, as a result, largely able to check the accurate implementation of the rules and any discretion in the calculation of the benchmarks is limited. Each benchmark is calculated by both a primary and secondary calculation agent. At least one of these calculations is authored or approved by a group that is independent from the businesses that created and trade the benchmark (e.g. either by a separate function or a third party). A reconciliation between the primary and secondary calculated benchmark levels takes place at least as frequently as the benchmark levels are published, and any differences between the two levels are reviewed and resolved.

2(i). Number of the Article and paragraph of Regulation (EU) 2016/1011 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 person determining the benchmark, including at least internal sign-off by management before the dissemination of the benchmark.

2(ii). Explanation on the appropriateness of the non-compliance for each specific provision

Article 4(8)

The Administrator has control procedures in place to ensure the integrity and reliability of its benchmark calculations.

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 basis that the Administrator's benchmarks are calculated using pre-set rules-based methodologies. All new benchmarks are created pursuant to a new index approval process and are reported to the monthly governance forum. In addition, the benchmarks rely primarily on widely available input data originating from regulated markets or exchanges. Benchmark calculation is generally an automated process, with each benchmark level being calculated by both a primary and secondary calculation agent. At least one of these calculations is authored or approved independently from the businesses that created and trades the benchmarks (e.g. either by a separate function or a third party). A reconciliation between the primary and secondary calculated benchmark levels takes place at least as frequently as the benchmark levels are published, and any differences between the two levels are reviewed and resolved. In addition, the Administrator has procedures in place to identify and address any errors in benchmark levels, including, if appropriate, the re-publication of benchmark levels.
2(i). Number of the Article and paragraph of Regulation (EU) 2016/1011 and full text of each single provision

Article 13(2)

The procedures required under point (c) of paragraph 1 shall provide for:
(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
(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.

2(ii). Explanation on the appropriateness of the non-compliance for each specific provision

Article 13(2)

The Administrator has in place procedures for making changes to its methodologies and, where appropriate, for consulting on those changes.

The Administrator considers it appropriate not to specify that advance notice is required (or the timeframe for such advance notice) in those procedures. The most appropriate method and timing for any consultation or notification may vary depending on the benchmark and the users of that benchmark and therefore the Administrator considers it more appropriate to determine whether advance notice should be provided on a case by case basis.

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 the users of its benchmarks will not expect their feedback to be made accessible to other users of the benchmark.