

CONFLICTS OF INTEREST MANAGEMENT

Conflicts of Interest Management

Version 1.0
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Statement of Purpose

FreightWaves, Inc. (“FreightWaves”) is committed to providing benchmark administration and conducting its business with the highest degree of ethics and integrity. Conflicts of interest can arise through business operations and in the administration of benchmarks by and between employees, agents, directors, clients, investors, and suppliers. FreightWaves manages these potential conflicts through policies and procedures that provide for identification and disclosure, mitigation and avoidance. These policies and procedures are designed and implemented to provide users of FreightWaves Indices (the “Indices”) confidence in the fair and honest administration of FreightWaves Indices.

FreightWaves Disclosure

FreightWaves and its subsidiaries do not operate a securities exchange, derivatives exchange or centralized trading market, and do not provide asset management, brokerage, bank, trading/clearing services, nor do they issue, trade, provide investment advice with respect to futures and, other derivatives or securities products (except as may apply to FreightWaves stock).

Advanced Disclosure

The employees, board of directors, and consultants of FreightWaves are prohibited from disclosure of Indices-related decisions in advance of public announcement.

Investors, Supplies, Clients and Interested Third Parties

FreightWaves inclusion of a Data Contributor’s data in the calculation of an index value is determined by application of a rules-based methodology. FreightWaves customers, clients, investors, and suppliers may or may not become contributors and constituents of Indices depending solely on the application of the rules-based methodology. Customers, clients, investors, and suppliers are not permitted to pay to be included in any Indices.

FreightWaves relies upon the voluntary provisioning of data from its data contributors. The parameters of data exchange and use purposes are such that the index is not compromised because of any commercial relationship.

Any third parties that FreightWaves consults with relative to the methodologies and generally the Indices to be offered that involve potential access to methods and sensitive information are subject to policies and procedures that manage potential conflicts of interest involving such third parties.

Employees of FreightWaves

FreightWaves employees are subject to various compliance policies that address and mitigate potential conflicts of interest, including policies in the following subject areas:

- Employee code of conduct
- Confidential information
- Conflicts arising from gifts, entertainment and charitable giving
- Related party transactions

FreightWaves employees are trained on these and other compliance policies upon commencing their employment and periodically thereafter. When compliance policies are updated employees are required to review the same and comply with the latest versions of applicable compliance policies. These policies are reviewed and approved by appropriate FreightWaves' management.

The number of employees involved in the calculation and maintenance of Indices are intentionally limited by design and access is restricted to potentially sensitive information relating to the Indices. Those employees with access to index calculation and maintenance are subject to more restrictive policies and conflict mitigation requirements. While FreightWaves revenues include fees based on index usage, compensation of FreightWaves employees responsible for the design, calculation, and/or maintenance of the Index is not linked to performance of any of the Indices.

Use of Committees

As part of implementing best practices to provide for benchmark administration oversight and governance various committees are formed which consist solely of FreightWaves employees. The use of committees provides for decision-making to be spread amongst groups of employees, thereby avoiding the risks associated with unilateral decision-making. By utilizing FreightWaves employees to constitute the various governance committees regarding the Indices, the aforementioned compliance policies provide a high degree of integrity and oversight. Methodologies are rule-based and whenever a discretionary decision is exercised (which is designed to be rare and limited to unforeseen occurrences) the decision must be approved by the appropriate governance committee.

Reporting of Anomalies and Whistleblowing

FreightWaves policies provide for a specific procedure for identifying misconduct (including manipulation) relative to any Indices. Employees are made aware of this policy through company policy and training with instructions for how to report an issue.

Adoption of Definitions

All definitions contained in the FreightWaves Index Key Definitions are adopted and incorporated herein. The FreightWaves Index Definitions are located on the FreightWaves Index website.