

Chapter

Article 3 Procedures governing the oversight function

(1) An oversight function shall have procedures at least relating to the following areas:

(a) its terms of reference, the frequency of its regular meetings, the recording of minutes of the meetings and of its decisions and the periodic information sharing with the management body of the administrator;

(b) the criteria to select its members, including criteria to evaluate the potential members' expertise, skills and whether they can meet the time commitments required. Those criteria shall take into account in particular potential members' role in any other oversight function;

(c) the criteria to select observers who may be permitted to join a meeting of the oversight function;

(d) the election, nomination or removal and replacement of its members;

(e) where applicable, the criteria for choosing the person or committee responsible for its overall direction and coordination and for acting as the contact point for the management body of the administrator and for the FCA, in accordance with the appropriate governance arrangements for oversight functions consisting of multiple committees as set out in the Annex;

(f) the public disclosure of summary details of its members, along with any declarations of conflicts of interest and of any measures taken to mitigate them;

(g) the suspension of voting rights of external members for decisions that would have a direct business impact on the organisations they represent;

(h) requiring members to disclose any conflict of interest before discussion of an agenda item during meetings of the oversight function and their recording in the minutes of the meeting;

(i) the exclusion of members from specific discussions in respect of which they have a conflict of interest and the recording of the exclusion in the minutes of the meeting;

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- (j) its access to all documentation necessary to carry out its duties;
 - (k) the management of disputes within it;
 - (l) measures to be taken in respect of breaches of the code of conduct;
 - (m) the notification to the FCA of any suspected misconduct by contributors or by the administrator and of any anomalous or suspicious input data;
 - (n) the prevention of improper disclosure of confidential or sensitive information received, produced or discussed by the oversight function.
- (2) Where the oversight function is carried out by a natural person:
- (a) points (e), (g), (i), and (k) of paragraph 1 do not apply;
 - (b) the administrator shall appoint an alternate appropriate body or natural person to ensure that duties of the oversight function can be consistently carried out in case of the absence of the person responsible for the oversight function.