Change and Cessation Policy

Modo Energy (Benchmarking) Limited · ME BESS GB Index Family

Created: 02 September 2025. Last reviewed: 23 November 2026.

1. Purpose and Scope

This Policy sets out the procedures to be followed by Modo Energy (Benchmarking) Limited ("Modo Energy" or "the Administrator") in the event of any benchmark-level change to, or cessation of, the ME BESS GB Index Family, in accordance with Article 28 of the UK Benchmarks Regulation (UK BMR).

Benchmark-level changes are defined in Section 7.1 of the Methodology Disclosure. For the purposes of Article 28, a material change to a benchmark means a benchmark-level change: a change that alters the objective of the ME BESS GB Indices, the market measured or the economic reality represented, or results in an index being replaced or discontinued. All other methodology changes, including changes to input data sources, to the publication or version of a data source, or to calculation procedures that do not meet the benchmark-level definition, follow the Methodology Change Procedure in Section 7 of the Methodology Disclosure and are outside the scope of this Policy.

It applies to all benchmarks within the ME BESS GB Index Family and is published alongside the Benchmark Statement (Article 27).

2. Governance and Oversight

- The Oversight Function is responsible for reviewing any proposed benchmark-level change or cessation and ensuring that the procedure complies with this Policy and the UK BMR.
- Final approval for any benchmark-level change or cessation rests with the Board of Directors, following recommendations from the Chief Product Officer (CPO) and the Oversight Function.
- All decisions, supporting evidence, and stakeholder communications are documented and retained for a minimum of five years.

3. Triggers for Change or Cessation

A review for a benchmark-level change or cessation may be triggered when:

1. **Unavailability of Input Data.** Input data from NESO, Elexon, EPEX, N2EX, or EMRS ceases to be published or becomes permanently unavailable, and no suitable alternative source exists that would allow the benchmark to continue to be determined in line with the published methodology or remain representative of GB BESS revenues.

2. **Structural Market Change.** A fundamental change in GB electricity-market design or related policy framework renders the benchmark unable to represent the intended market reality.
3. **Regulatory Requirement.** A directive from the FCA or another competent authority requires modification or cessation of the benchmark.
4. **Business Decision.** The benchmark is no longer commercially or operationally viable to maintain within the UK BMR framework.

4. Assessment and Decision Process

Before any benchmark-level change or cessation decision is made, Modo Energy will:

- **Assess continuation feasibility:** determine whether reliable input data or methodology amendments could allow continued publication in a fair, representative, and compliant form.
- **Assess the impact on users:** identify the users, financial contracts and financial instruments known to reference the affected index, and the likely effect of the change or cessation on them (see Section 6.1).
- **Consult the Oversight Function:** review findings, risk assessment and market implications.
- **Recommend action:** either continuation under an amended methodology, implementation of a benchmark-level change, or initiation of cessation procedures.

Benchmark-level Changes

Benchmark-level changes are assessed under the same governance framework as cessation decisions and are reviewed by the Board of Directors and the Oversight Function. All other changes to the methodology or its inputs follow the Methodology Change Procedure in Section 7 of the Methodology Disclosure and are categorised there as material methodology changes or methodology enhancements.

Where reliable continuation is not possible, cessation is formally approved by the Board of Directors and documented in Modo Energy's governance and compliance records.

5. Notification and Communication

- Modo Energy will notify the FCA and publish a public notice on its website at least 30 calendar days before any planned cessation or benchmark-level change.
- Direct communication will be issued to benchmark subscribers, redistributors and other known stakeholders, outlining:
  - the reason for the cessation or change;
  - the expected timeline, including the effective date;
  - the expected impact on users; and
  - any implications for data access, archive availability, or potential alternatives.
- In exceptional or unforeseen circumstances (e.g. immediate loss of data availability), Modo Energy will notify the FCA and users as soon as practicable.

- Material methodology changes and methodology enhancements are notified in accordance with the Methodology Change Procedure in Section 7 of the Methodology Disclosure. Modo Energy may in addition notify the FCA of any such change where it considers this appropriate.

6. Transition and Fallback Arrangements

6.1 Impact on Users

A benchmark-level change to, or cessation of, any index in the ME BESS GB Index Family may affect financial contracts, financial instruments and investment funds that reference it, and any valuation, risk management or performance measurement that relies on it. Depending on the terms of each contract or instrument, users may need to:

- apply the fallback provisions in their contracts, or agree new ones;
- amend or renegotiate contracts that reference the affected index;
- revalue positions, or reassess risk and performance measures, that rely on the affected index; and
- adjust internal processes and systems that use the index.

6.2 Transition Considerations

- During the notice period, Modo Energy will continue to publish benchmark values where feasible, using validated data in accordance with its Fall-back Systems and Arrangements Policy (section 7 of the Compliance Manual), until the announced date.
- The notice period is intended to give users time to review contracts and instruments that reference the affected index, and to put their own fallback arrangements into effect.
- For a benchmark-level change, the notice sets out the date from which the changed methodology applies and an impact analysis comparing values under the current and the changed methodology. Values published under the previous methodology remain available.
- Where only one index in the family is affected, the notice sets out whether another index in the ME BESS GB Index Family could serve as a reference, and the differences between them.
- Historical data, methodology documentation and supporting materials remain accessible for audit and reference purposes for at least five years.
- Modo Energy will respond to questions from users during the notice period at team@modoenergy.com.

6.3 Alternatives

- Due to the specialised design of the ME BESS GB Index Family, all benchmarks rely on publicly available, GB-specific market data and apply limited discretionary input solely to verify asset characteristics.
    - Any event that prevents Modo Energy from continuing publication would equally affect the availability of this underlying data, meaning that no

directly comparable or substitutable benchmark could be produced by any other provider.

- As a result, there are no feasible or appropriate alternative benchmarks that could maintain representativeness of GB BESS revenues under such conditions.
- In the event of cessation, users may therefore choose to develop their own internal reference measures or performance indicators based on private operational or market data available to them.
- Modo Energy does not provide or validate such internal references, as outlined and reasoned within its Conflict of Interest Policy.
- Alternatively, users may consider constructing hypothetical revenue models to estimate potential GB BESS performance; however, such modelling would be purely illustrative and not a regulated benchmark.

7. Post-Cessation Actions

Following cessation:

- A final benchmark value will be published, clearly labelled as such.
- The cessation event, including the rationale and approval record, will be fully documented.
- All associated records will be retained in accordance with Modo Energy's data-retention and governance policies.

8. Review and Publication

This Policy is reviewed at least every two years, and sooner if it is applied to a benchmark-level change or cessation, or if the regulatory requirements it addresses change. Revisions are approved by the Oversight Function and the Board of Directors, and the Policy is published alongside the Benchmark Statement.

Document History

Date	Change
23 November 2026	Reviewed as part of the 2026 annual review. Scope limited to benchmark-level changes, as defined in Section 7.1 of the Methodology Disclosure, and cessation; all other methodology changes follow the Methodology Change Procedure (Sections 1 and 4). Material change defined, for the purposes of Article 28, as a benchmark-level change (Section 1). Assessment of the impact on users added to the decision process (Section 4). Public notice period reduced from 90 to 30 calendar days, and redistributors added to direct communication (Section 5). Notification of material methodology changes and methodology enhancements, and optional notification of them to the FCA, added (Section 5). Impact on users and transition considerations added (Section 6). Review triggers clarified (Section 8).
14 October	Reviewed.

Date	Change
2025	
02 September 2025	Created.