

INDEX GUIDELINE

SOLACTIVE BRANDFINANCE® GLOBAL BRANDS INDEX

Version 2.0

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INTRODUCTION

This document (the "**GUIDELINE**") is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive BrandFinance® Global Brands Index (the "**INDEX**"). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 5.5. The INDEX is owned, calculated, administered and published by Solactive AG ("**SOLACTIVE**") assuming the role as administrator (the "**INDEX ADMINISTRATOR**") under the Regulation (EU) 2016/1011 (the "**BENCHMARK REGULATION**" or "**BMR**"). The name "Solactive" is trademarked.

The text uses defined terms which are formatted with "SMALL CAPS". Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.



1. INDEX SPECIFICATIONS

1.1. SCOPE OF THE INDEX

Category	Description
Asset Class	Equity
Strategy	The index aims to track the performance of a basket of stocks of companies that represent the most valuable brands globally, subject to liquidity, ESG, and quality-based filters.
Regional Allocation	Global Markets
Rebalancing Fee	-
Rebalancing Frequency	Annually

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive BrandFinance® Global Brands Index PR	DE000SLOJA03	USD	PR*	.SOLAGBP	-
Solactive BrandFinance® Global Brands Index NTR	DE000SLOJA11	USD	NTR*	.SOLAGBN	SOLAGBN
Solactive BrandFinance® Global Brands Index TR	DE000SLOJA29	USD	GTR*	.SOLAGBT	-

*PR, NTR, GTR means that the Index is calculated as price return, net total return and gross total return Index as described in the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>

The INDEX is published on the website of the INDEX ADMINISTRATOR (www.solactive.com) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.



1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 21/04/2017, the START DATE, is 100. Historical values from the 07/06/2023, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested.¹

1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 9:00 a.m. to 10:50 p.m. CET based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 04:00 p.m. London time rates provided by WM/ Refinitiv (the "WM/ Refinitiv Rate"). If there is no 04:00 p.m. London time WM/ Refinitiv Rate for the relevant CALCULATION DAY, the last available 04:00 p.m. London time WM/ Refinitiv Rate will be used for the closing level calculation.

1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by SOLACTIVE.

¹ The ESG data has been used as of 05/04/2023 for the back-test.





2. INDEX SELECTION

On each SELECTION DAY, the INDEX ADMINISTRATOR will revise the composition of the INDEX.

In a first step, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.3.

2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the "**INDEX UNIVERSE REQUIREMENTS**"):

- > Primary listing on any exchange listed in Appendix A.
- > FREE FLOAT MARKET CAPITALIZATION of at least USD 200,000,000 (150,000,000) for new (current) INDEX COMPONENTS on the respective SELECTION DAY.
- > AVERAGE DAILY VALUE TRADED of at least USD 1,000,000 over 3 months prior to and including the SELECTION DAY.
- > Ranked in the global top 100 companies by cumulative brand value of their brand portfolios. The brand valuations are calculated by DATA PROVIDER I once per year.

The determination of the INDEX UNIVERSE is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decisions.

2.2. SELECTION OF THE INDEX COMPONENTS

Based on the INDEX UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules:

1. The securities are evaluated based on the criteria outlined in the table below. The evaluation is based on data provided by DATA PROVIDER II:

Categories	Criterion
Established norms around Environment, Human Rights, Corruption and Labour Rights	Non-Compliance with the UNGC principles and related international norms and standards
Severe ESG Controversy	Controversies with the Level 5



Tobacco	(5% Production <OR> 5% Retail <OR> 5% Related Products/Services) *
Defense – Weapons	(5% Military Contracting Weapons <OR> 5% Military Contracting Weapons – Related Products/Services) *
Defense – Controversial Weapons	Any direct Involvement or any indirect Involvement through corporate ownership
Small Arms	(5% Civilian customers (Assault and non-assault weapons) <OR> 5% Key Components <OR> 5% Military/law enforcement customers <OR> 5% Retail/Distribution) *
Coal	(5% Thermal Coal Extraction <OR> 5% Power Generation <OR> 5% Supporting Products/Services)
Conventional Oil & Gas	(5% Generation <OR> 5% Production <OR> 5% Supporting Products/Services)
Unconventional Oil & Gas	(5% Oil Sands Extraction <OR> 5% Arctic Oil & Gas Exploration/Extraction <OR> 5% Shale Energy Extraction)
Nuclear Power	(5% Production <OR> 5% Distribution <OR> 5% Supporting Products)
Gambling	(5% Operations <OR> 5% Specialized Equipment <OR> 5% Supporting Products/Services) *
Adult Entertainment	(5% Production <OR> 5% Distribution) *

Note:

- % figures refer to revenue threshold (for degree of involvement). The criterion is fulfilled if involvement is equal to or above such threshold.
- The terminology used in the table above is specific to the DATA PROVIDER and may change from time to time.

*this includes significant corporate ownership (where a company holds a stake greater than 50% in an involved company, the revenues of the involved company are attributed to the company).

Any company included in the INDEX UNIVERSE which fulfills any of the criteria set out above is excluded from the selection process.

For the avoidance of doubt, any company for which an evaluation of the criteria is not possible due to the non-availability of relevant data from the DATA PROVIDER II, is also excluded from the selection process.



2. All securities are categorized into one of the following categories based on their FactSet Economy:

Category	Economy Name	Code
Technology	Technology	3535
Finance	Finance	3445
Other	All which are not part of Technology or Finance	

3. A quality factor is calculated for all securities that passed the steps above. The calculation of the quality factor is defined in section 7.
4. Securities for which a quality factor cannot be calculated are excluded from the selection process.
5. Securities are ranked by their quality factor within each category in descending order.
6. The bottom 5% of the quality factor rank of each category is calculated and rounded to the nearest whole number and each security with a quality factor rank equaling or falling below the bottom 5% in the respective category is excluded.

The selection of the INDEXCOMPONENTS is fully rule-based and the INDEXADMINISTRATOR cannot make any discretionary decisions.

2.3. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEXCOMPONENT is weighted in accordance with the following steps:

- 1) INDEXCOMPONENTS are weighted based on their TOTAL MARKET CAPITALIZATION.
- 2) The weight of each INDEXCOMPONENTS is capped at 5%. The excess weight is re-distributed pro-rata in compliance with the cap.
- 3) (Current) INDEXCOMPONENTS with a weight of less than 0.1% (0.05%) are removed from the INDEX.
- 4) The aggregated weight of the securities removed in step 3 is re-distributed pro-rata to the remaining INDEXCOMPONENTS in compliance with the constraint set in step 2.



3. REBALANCE

3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1 and 2.2) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the shares as determined on the FIXING DAY based on the weights calculated on the SELECTION DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>.

On each QUARTERLY REVIEW DAY, the index administrator will determine if all INDEX COMPONENTS selected on the last annual SELECTION DAY in April continue to fulfill the free float market capitalization, average daily value traded (both detailed in Section 2.1), and ESG requirements (detailed in Section 2.2). If an INDEX COMPONENT does not fulfill any of the aforementioned requirements, it will be removed from the index on the ADJUSTMENT DAY that occurs immediately after such QUARTERLY REVIEW DAY, and the index will be reweighted according to Section 2.3, Weighting of the Index Components.

If an INDEX COMPONENT selected on the last annual SELECTION DAY in April was deleted from the index in prior quarterly reviews and now fulfills all of the aforementioned requirements on QUARTERLY REVIEW DAY, it will be added back to the index on the ADJUSTMENT DAY that occurs immediately after such QUARTERLY REVIEW DAY, and the index will be reweighted according to Section 2.3, Weighting of the Index Components. The reweighting of the index will always be conducted in October, independent of the requirements specified above. All relevant data will be based on the data available as of the REVIEW DAY.

In addition, if the INDEX ADMINISTRATOR determines that the INDEX weight of any INDEX COMPONENT is greater than 15% on any REVIEW DAY or QUARTERLY REVIEW DAY, then the index shall be reweighted on the ADJUSTMENT DAY that occurs immediately after such REVIEW DAY according to section 2.3 Weighting of the Index Components. All relevant data will be based on the data available as of the REVIEW DAY.

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE website under the section "Announcement", which is available at <https://www.solactive.com/news/announcements/>

3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.





4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

The INDEX is calculated as a price return, net total return, gross total return Index.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The divisor index formula stipulates that the level of the INDEX changes based on the change of the prices of its INDEX COMPONENTS taking into account their weight in the INDEX and any currency conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested across the entire basket of INDEX COMPONENTS by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

4.2. ACCURACY

The level of the INDEX will be rounded to two decimal places. Divisors will be rounded to six decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

SOLACTIVE will announce the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the Section "Announcements", which is available at <https://www.solactive.com/news/announcements/>. The INDEX adjustments will be implemented on the effective day specified in the respective notice.



4.4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While SOLACTIVE aims at creating and maintaining its methodology for treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time.

SOLACTIVE considers following, but not conclusive, list of corporate actions as relevant for INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)



> Insolvency

4.5. RECALCULATION

SOLACTIVE makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. SOLACTIVE endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

4.6. MARKET DISRUPTION

In periods of market stress SOLACTIVE calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.



5. MISCELLANEOUS

5.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX (for example the determination of the INDEX UNIVERSE (if applicable), the selection of the INDEX COMPONENTS (if applicable) or any other relevant decisions in relation to the INDEX) shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

5.2. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.

Such change in the methodology will be announced on the SOLACTIVE website under the Section "[Announcement](https://www.solactive.com/news/announcements/)", which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX is contained in this GUIDELINE.

5.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR of the method described in this document is final and binding. The INDEX ADMINISTRATOR shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The INDEX ADMINISTRATOR is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX ADMINISTRATOR will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.



5.4. TERMINATION

SOLACTIVE makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, SOLACTIVE follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 "Methodology Review") in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

SOLACTIVE has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/termination-policy/>.

5.5. OVERSIGHT

An oversight committee composed of staff from SOLACTIVE and its subsidiaries (the "**OVERSIGHT COMMITTEE**") is responsible for decisions regarding any amendments to the rules of the INDEX. Any such amendment, which may result in an amendment of the GUIDELINE, must be submitted to the OVERSIGHT COMMITTEE for prior approval and will be made in compliance with the Methodology Policy, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.



6. DEFINITIONS

“ADJUSTMENT DAY” is the third Friday of each month other than April. If that day is not a TRADING DAY, the ADJUSTMENT DAY will be the following TRADING DAY.

“AVERAGE DAILY VALUE TRADED” means, in respect of an INDEX COMPONENT, the sum of DAILY VALUE TRADED over the specified period divided by the number of TRADING DAYS that fall in the specified period.

“BENCHMARK REGULATION” shall have the meaning as defined in Section “Introduction”.

“BMR” shall have the meaning as defined in Section “Introduction”.

“BUSINESS DAY” is a day on which New York Stock Exchange (NYSE), the London Stock Exchange, the Tokyo Stock Exchange and Deutsche Boerse Xetra are open for general business.

“CALCULATION DAY” is every weekday from Monday to Friday.

“CLOSE OF BUSINESS” is the calculation time of the closing level of the INDEX as outlined in Section 1.4.

The **“CLOSING PRICE”** in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“DAILY VALUE TRADED” means, in respect of an INDEX COMPONENT and a TRADING DAY, the product of (i) the CLOSING PRICE of such INDEX COMPONENT and (ii) the volume traded (measured as a number of shares) of such INDEX COMPONENT on the EXCHANGE during such TRADING DAY.

“DATA PROVIDER I” is Brand Finance. For more information, please visit <https://brandfinance.com/>

“DATA PROVIDER II” is Sustainalytics. For more information, please visit <https://www.sustainalytics.com/>. The ESG-related information, methodologies, data and opinions contained or reflected herein are not directed to or intended for use or distribution to India-based clients or users and their distribution to Indian resident individuals or entities is not permitted, and Morningstar Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

“EXCHANGE” is with respect to the INDEX and every INDEX COMPONENT, the respective exchange where the INDEX COMPONENT has its listing as determined in accordance with the rules in Section 2.

“FIXING DAY” is SELECTION DAY.

The **“FREE FLOAT”** is with regard to each of the securities fulfilling the INDEX COMPONENT REQUIREMENTS on a SELECTION DAY the share class-specific fraction of the total number of shares of such share class issued that are available for trading by market participants and not locked-in by long term holders, as sourced from data vendors.

The **“FREE FLOAT MARKET CAPITALIZATION”** is with regard to each of the securities fulfilling the INDEX COMPONENT REQUIREMENTS on a SELECTION DAY the share class-specific free float market capitalization. It is



calculated as the multiplication of the shares outstanding in FREE FLOAT (as sourced from data vendors) with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

“**GUIDELINE**” shall have the meaning as defined in Section “Introduction”.

“**INDEX**” shall have the meaning as defined in Section “Introduction”.

“**INDEX ADMINISTRATOR**” shall have the meaning as defined in Section “Introduction”.

“**INDEX COMPONENT**” is each security reflected in the INDEX.

“**INDEX COMPONENT REQUIREMENTS**” shall have the meaning as defined in Section 2.2.

“**INDEX CURRENCY**” is the currency specified in the column “Currency” in the table in Section 1.2.

“**INDEX UNIVERSE REQUIREMENTS**” shall have the meaning as defined in Section 2.1.

“**INDEX UNIVERSE**” is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS.

“**LIVE DATE**” shall have the meaning as defined in Section 1.3.

“**OVERSIGHT COMMITTEE**” shall have the meaning as defined in Section 5.5.

“**QUARTERLY REVIEW DAY**” is 10 BUSINESS DAYS before the ADJUSTMENT DAY in January, July and October, disregarding any potential change of the ADJUSTMENT DAY.

“**REVIEW DAY**” is 10 BUSINESS DAYS before the scheduled ADJUSTMENT DAY in each month other than January, July and October, disregarding any potential change of the ADJUSTMENT DAY.

“**REBALANCE DAY**” is the third Friday in April. If that day is not a TRADING DAY the REBALANCE DAY will be the immediately following TRADING DAY.

“**SELECTION DAY**” is 10 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY.

“**SOLACTIVE**” shall have the meaning as defined in Section “Introduction”.

“**START DATE**” shall have the meaning as defined in Section 1.3.

The “**SHARE CLASS MARKET CAPITALIZATION**” is with regard to each of the securities in the INDEX on a SELECTION DAY the share class-specific market capitalization for any security in the INDEX UNIVERSE. It is calculated as the multiplication of the shares outstanding with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

The “**TOTAL MARKET CAPITALIZATION**” is with regard to each of the securities in the INDEX on a SELECTION DAY the sum of all SHARE CLASS MARKET CAPITALIZATIONS of a company.

“**TRADING DAY**” is with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY) a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market



disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The INDEX ADMINISTRATOR is ultimately responsible as to whether a certain day is a TRADING DAY.

The **"TRADING PRICE"** in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

"WM / REFINITIV RATE" shall have the meaning as defined in Section 1.4.



7. QUALITY FACTOR CALCULATION

The quality factor is an equally weighted average of asset turnover, profitability, and coverage ratio for all categories, except Finance. The quality factor for Finance is return on asset (ROA). The factors are calculated as follows:

$$\text{Asset Turnover} = \frac{\text{Sales}_t}{\text{Total Assets}_t} - \frac{\text{Sales}_{t-1y}}{\text{Total Assets}_{t-1y}}$$

Where:

Sales_t = Sales as of last fiscal year prior to SELECTION DAY t in local currency

Sales_{t-1y} = Sales as of second to last fiscal year prior to SELECTION DAY t in local currency

Total Assets_t = Assets as of last fiscal year prior to SELECTION DAY t in local currency

$\text{Total Assets}_{t-1y}$ = Assets as of second to last fiscal year prior to SELECTION DAY t in local currency

$$\text{Profitability} = \frac{\text{Earnings}_t}{\text{Book Value of Equity}_t}$$

Where:

Earnings_t = Earnings as of last fiscal year prior to SELECTION DAY t in local currency. Depending on a company's operation industry, accounting procedures to calculate earning differ and as such certain fundamentals have to be treated differently. Industries such as Banks, Insurances, and other Financials utilize different operating expenses to measure earning, such as Loan Loss Provision for banks, or Losses, Claims, Reserves for insurances.

$\text{Book Value of Equity}_t$ = Book value of equity as of last fiscal year prior to SELECTION DAY t in local currency

$$\text{Coverage Ratio} = \frac{\text{Free Cash Flow}_t}{\text{Total Debt}_t}$$

Where:

Free Cash Flow_t = Free Cash Flow as of last fiscal year prior to SELECTION DAY t in local currency

Total Debt_t = Total Debt as of last fiscal year prior to SELECTION DAY t in local currency

The quality factor for Economy 'Finance' is calculated as follows:

$$\text{ROA} = \frac{\text{Earnings}_t}{\text{Total Asset}_t}$$



Earnings_t = Earnings as of last fiscal year prior to SELECTION DAY t in local currency. Depending on a company's operation industry, accounting procedures to calculate earning differ and as such certain fundamentals have to be treated differently. Industries such as Banks, Insurances, and other Financials utilize different operating expenses to measure earning, such as Loan Loss Provision for banks, or Losses, Claims, Reserves for insurances.

Total Assets_t = Assets as of last fiscal year prior to SELECTION DAY t in local currency

Factor Calculation

1. Using the eligible securities, the raw factor scores of the respective quality factors are calculated as defined above.
2. Each raw factor score is winsorized at a 3% level. This means values below the 3rd percentile will be set equal to the 3rd percentile, and values above the 97th percentile will be set equal to the 97th percentile.
3. A raw Z-score is calculated to standardize each raw factor score:

$$Z = \frac{(x - \mu)}{\sigma}$$

4. Raw Z-scores are capped at a lower bound of -3 and an upper bound of 3.
5. The final factor score is defined as follows:

$$F = \begin{cases} 1 + Z, & Z > 0 \\ \frac{1}{1 - Z}, & Z \leq 0 \end{cases}$$



8. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	07 June 2023	Index Guideline creation (<i>initial version</i>)
1.1	08 August 2023	Clarification of UNGC screening criteria
2.0	16 August 2024	Removing the Capacity Increase criteria in ESG Exclusions and changing the starting Universe used for Quarterly reviews.



APPENDIX A

No.	Exchange Code	Exchange
1	NA	Equity Euronext Amsterdam Netherlands
2	FP	Equity Euronext Paris France
3	FH	Equity Helsinki Stock Exchange Finland
4	HK	Equity Hong Kong Stock Exchange China
5	KP	Equity Korea Stock Exchange Korea
6	KQ	Equity Kosdaq Stock Exchange Korea
7	LN	Equity London Stock Exchange United Kingdom
8	UQ	Equity Nasdaq Global Market United States
9	UW	Equity Nasdaq Global Select Market United States
10	UN	Equity New York Stock Exchange United States
11	NO	Equity Oslo Norway
12	SE	Equity SIX Swiss Exchange Switzerland
13	SS	Equity Stockholm Stock Exchange Sweden
14	SF	Equity First North Stockholm Sweden
15	TT	Equity Taiwan Stock Exchange Taiwan
16	JT	Equity Tokyo Stock Exchange Japan
17	CT	Equity Toronto Stock Exchange Canada
18	GY	Equity Xetra Germany
19	LI	Equity London International Exchange
20	AT	Equity Australian Securities Exchange Australia
21	AV	Equity Vienna Stock Exchange Austria
22	NZ	Equity New Zealand Exchange
23	ID	Equity Irish Stock Exchange Ireland
24	DC	Equity NASDAQ OMX Copenhagen Denmark
25	SM	Equity Madrid Stock Exchange Spain
26	SQ	Equity Sociedad de Bolsas Spain
27	IM	Equity Borsa Italiana Italy
28	PL	Equity Euronext Lisbon Portugal
29	SP	Equity Singapore Exchange Singapore
30	BB	Equity Euronext Brussels Belgium
31	SF	Equity Nasdaq First North Stockholm
32	UR	Equity Nasdaq CM

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