

INDEX METHODOLOGY

Solactive Italy PIR Quality Index

Version 1.0 dated July 5th, 2017



Contents

Important Information

1. Index specifications

- 1.1 Short Name and ISIN
- 1.2 Initial Value
- 1.3 Distribution
- 1.4 Prices and Calculation Frequency
- 1.5 Weighting
- 1.6 Index Committee
- 1.7 Publication
- 1.8 Historical Data
- 1.9 Licensing

2. Composition of the Index

- 2.1 Selection of the Index Components
- 2.2 Ordinary Adjustment
- 2.3 Extraordinary Adjustment

3. Calculation of the Index

- 3.1 Index Formula
- 3.2 Accuracy
- 3.3 Adjustments
- 3.4 Dividends and other Distributions
- 3.5 Corporate Actions
- 3.6 Correction Policy
- 3.7 Market Disruption
- 3.8 Consequences of an Extraordinary Event

4. Definitions

5. Appendix

- 5.1 Contact Details
- 5.2 Calculation of the Index – Change in Calculation Method

Important Information

This document (“**Index Methodology Document**”) contains the underlying principles and regulations regarding the structure and the operating of the Solactive Italy PIR Quality Index. Solactive AG shall make every effort to implement regulations. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – 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 AG is no recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.

This Index Methodology Document is to be used as the guidelines with regard to the composition, calculation and management of the Index. Any changes made to the Index Methodology Document are initiated by the Index Committee as defined in *Section 1.6 Index Committee*.

The Index is calculated and published by Solactive AG. The name “Solactive” is trademarked.

1. Index Specifications

The Solactive Italy PIR Quality Index (the “**Index**”) is an index owned by Solactive AG (the “**Index Owner**”) and is calculated and distributed by Solactive AG (the “**Calculation Agent**”).

The Index aims to track the performance of a basket of Italian-listed stocks that fulfil certain liquidity, stability and growth requirements. On each Adjustment Day, the Index is designed to allocate a weight of at least 50% to Small and Medium Cap Securities and allocate the remaining weight to Large Cap Securities.

The Index is a net total return index, i.e. dividends are reinvested net of tax. The applicable withholding tax rates used to calculate the Net Total Return version can be accessed (under the title “Withholding Tax Rates”) on the Calculation Agent’s website at: <http://www.solactive.com/news/documents/>.

The price of the Index (the “**Index Value**”) is calculated and published in Euros.

1.1 Short Name and ISIN

The Index is distributed under ISIN DE000SLA3FF5; the WKN is SLA3FF. The Index is published on Reuters under the RIC < .SOLIPIRQ > and on Bloomberg under the ticker < SOLIPIRQ Index >.

1.2 Initial Value

The Index Value at the close of trading on the start date April 13th, 2012 was set to be equal to a value of 100. The Index was officially launched on the Index Inception Date.

1.3 Distribution

The Index is published via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether they will distribute/display the Index via their information systems.

1.4 Prices and Calculation Frequency

The Index Value is calculated on each Business Day based on the prices of the relevant Index Components on the respective Exchanges on which they are listed. For the purposes of calculating the Index Value on a Business Day, the most recent prices of all relevant Index Components are used. Further, prices of Index Components not listed in the Index Currency are converted into the Index Currency using Reuters/WMCO closing mid spot exchange rates as at 4 pm London time. If such mid spot foreign exchange rate is unavailable on Reuters on any Business Day, the most recent mid spot foreign exchange rate published by Reuters/WMCO, as applicable, shall be used for the purposes of calculating the Index Value.

The Index Value is calculated on each Business Day from 9:00am to 10:30pm, CET. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG the Index cannot be distributed.

1.5 Weighting

On each Adjustment Day the Index Components are weighted in accordance with the methodology described in *Section 2.2 Ordinary Adjustment*.

1.6 Index Committee

A committee composed of staff from the Index Owner and shall be responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the “**Index Committee**”). The future composition of the Index shall be determined by the Index Committee on the Selection Days according to the methodology set out in *Section 2.1 Selection of Index Components* of this document. Upon the occurrence of any Extraordinary Event, the Index Committee, in its sole and absolute discretion, shall make decisions that may affect the composition of the Index and implement any necessary adjustments.

Members of the Index Committee may recommend changes to this Index Methodology Document and submit them to the Index Committee for approval.

1.7 Publication

All specifications and information relevant for calculating the Index Value are made available on the webpage: <http://www.solactive.de> and the relevant sub-pages.

1.8 Historical Data

Historical data will be maintained from the launch of the Index on the Index Inception Date.

1.9 Licensing

Licences to use the Index as a benchmark for derivative instruments are issued to stock exchanges, banks, financial services providers and investment houses by the Index Owner.

2. Composition of the Index

2.1 Selection of the Index Components

This section sets out the methodology used to determine the initial composition of the Index and to make periodic adjustments to the composition of the Index.

In respect of each Selection Day that occurs in the month of April and October, the Calculation Agent shall determine the Index Components in accordance with the methodology described below:

1. The Calculation Agent shall select the securities that are eligible for inclusion in the Index (the “**Eligible Securities**”) from the Index Universe in the following manner:

A Security shall be deemed to be an Eligible Security if:

- a. it has, as of the Selection Day, a Market Capitalization of at least EUR 200 million, unless such Security is an existing Index Component, in which case, the Market Capitalization must be at least EUR 150 million; and
 - b. its Three Month Average Daily Value Traded, as of the Selection Day, is at least EUR 500,000.
2. Each Eligible Security is then classified either as a Large Cap Security or a Small and Medium Cap Security.
 3. On each Selection Day, an Eligible Security shall be deemed to be an Index Component if, in respect of such Eligible Security, the Return on Equity is greater than the median of Return on Equity of all Eligible Securities; and if:
 - a. the Twelve Month Forward Sales is greater than the Last Twelve Month Sales; or
 - b. the Foreign Revenue is strictly greater than 50%;

Notwithstanding the above, (i) if the total number of Index Components that are also classified as Large Cap Securities is less than eleven (11), then conditions 3.a and 3.b shall not be applicable for those Eligible Securities that are also classified as Large Cap Securities; and (ii) if the total number of Index Components that are also classified as Small and Medium Cap Securities is less than eleven (11), then conditions 3.a and 3.b shall not be applicable for those Eligible Securities that are also classified as Small and Medium Cap Securities.

2.2 Ordinary Adjustment

The composition of the Index shall be adjusted on each Adjustment Day that is deemed to be a Rebalancing Day by the Calculation Agent. For the avoidance of doubt, the first adjustment will be made on the Adjustment Day occurring in October 2017 based on the Trading Prices of the Index Components on such day.

Each Adjustment Day that occurs in the month of April and October shall be deemed to be a Rebalancing Day. In addition, if the Calculation Agent determines that the cumulative Index Component Weights of all Index Components that are classified as Large Cap Securities is greater than 65% on any Review Day, then the Adjustment Day that occurs immediately after such Review shall be deemed to be a Rebalancing Day.

On each Adjustment Day that is deemed a Rebalancing Day, the Index Components are equally weighted subject to the following constraints:

- a. the total Index Component Weight of all Index Components is equal to 100%;
- b. if the total Index Component Weight in respect of Index Components that are classified as Large Cap Securities is greater than 50%, then:
 - (i) the Index Component Weights of such Index Components are readjusted and equally distributed such that they sum up to 50%; and

- (ii) the Index Component Weights of Index Components that are classified as Small and Medium Cap Securities are readjusted and equally distributed such that they sum up to 50%.

For the avoidance of doubt, if an Adjustment Day is not deemed to be a Rebalancing Day, then the composition of the Index shall not be adjusted.

The composition of the Index shall be determined on each Selection Day in accordance with the methodology described in *Section 2.1 Selection of Index Components*. The Calculation Agent shall publish any changes made to the Index composition on the Selection Day and consequently with sufficient notice before the Adjustment Day.

2.3 Extraordinary adjustment

An extraordinary adjustment, if applicable, shall be triggered and applied in compliance with the rules set forth in the [Solactive Guideline for Extraordinary Corporate Actions](https://www.solactive.com/wp-content/uploads/2017/02/ECA-Solactive-Guideline.pdf) that is available for download at the web url: <https://www.solactive.com/wp-content/uploads/2017/02/ECA-Solactive-Guideline.pdf>

3. Calculation of the Index

3.1 Index Formula

The Index Value on a Business Day at the relevant time is calculated in accordance with the following formula:

$$Index_t = \sum_{i=1}^n \frac{(x_{i,t} * p_{i,t} * f_{i,t})}{D_t}$$

With:

$x_{i,t}$	= Number of Index Shares of the Index Component i on Trading Day t
$p_{i,t}$	= Price of Index Component i on Trading Day t
$f_{i,t}$	= Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency
D_t	= Divisor on Trading Day t

In respect of the Start Date, the Divisor shall be calculated according to the following formula:

$$D_t = \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t})}{100}$$

After the close of trading on each Adjustment Day t , the Divisor in respect of the immediately following Trading Day shall be calculated according to the following formula:

$$D_{t+1} = \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t+1})}{Index_t}$$

In respect of a Trading Day t that is (i) not an Adjustment Day and (ii) a day on which there are no Corporate Actions, then the Divisor shall be calculated according to the following formula:

$$D_t = D_{t-1}$$

where:

$t - 1$ means the immediately preceding Business Day.

3.2 Accuracy

In respect of each Business Day, the Index Value, rounded to two decimal places, shall be published on Reuters and Bloomberg.

Trading Prices and spot foreign exchange rates used to calculate the Index Value shall be rounded to six decimal places.

Divisors shall be rounded to six decimal places.

3.3 Adjustments

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Total Shares of the affected Index Component and the Divisor to be calculated on an ex-ante basis.

Following the Index Committee's decision, the Index is adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Calculation Agent.

3.4 Dividends and other Distributions

Dividend payments and other distributions are included in the Index. They cause an adjustment of the Divisor. The new Divisor is calculated as follows:

$$D_{t+1} = D_t \times \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t}) - (x_{i,t} \times y_{i,t} \times g_{i,t})}{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t})}$$

where:

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Total Shares of the Index Component i on Trading Day t

$y_{i,t}$ = Distribution of Index Component i with ex date $t + 1$ multiplied by the Dividend Correction Factor

$g_{i,t}$ = Foreign exchange rate to convert the amount of the distribution of Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

D_{t+1} = Divisor on Trading Day $t + 1$

3.5 Corporate Actions

3.5.1 Principles

Following the announcement by an issuer of Index Components of the terms and conditions of a corporate action (“**Corporate Action**”), the Calculation Agent shall determine whether such corporate action has a dilutive, concentrative or similar impact on the price of the relevant Index Component.

If this should be the case, the Calculation Agent shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar impact on the price of the relevant Index Components and shall determine the date on which such adjustments shall come into effect.

Amongst other things, the Calculation Agent can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

3.5.2 Capital Increases

In the case of capital increases with ex-date $t + 1$ the Index is adjusted as follows:

$$x_{i,t+1} = x_{i,t} \times \frac{1 + B}{1}$$

where:

$x_{i,t+1}$ = Number of Total Shares of Index Component i on Trading Day $t + 1$

$x_{i,t}$ = Number of Total Shares of Index Component i on Trading Day t

B = Shares received for every share held

$$p_{i,t+1} = \frac{p_{i,t} + s \times B}{1 + B}$$

where:

$p_{i,t+1}$ = Hypothetical Price of Index Component i on Trading Day $t + 1$

$p_{i,t}$ = Price of Index Component i on Trading Day t

s = Subscription Price in the Index Component currency

B = Shares received for every share held

$$D_{t+1} = D_t \times \frac{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t}) + \sum_{i=1}^n [(x_{i,t+1} \times p_{i,t+1} \times f_{i,t}) - (x_{i,t} \times p_{i,t} \times f_{i,t})]}{\sum_{i=1}^n (p_{i,t} \times f_{i,t} \times x_{i,t})}$$

where:

$D_{i,t+1}$ = Divisor on Trading Day $t + 1$

$D_{i,t}$ = Divisor on Trading Day t

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Total Shares of the Index Component i on Trading Day t

$p_{i,t+1}$ = Hypothetical price of Index Component i on Trading Day $t + 1$

$x_{i,t+1}$ = Number of Total Shares of the Index Component i on Trading Day $t + 1$

3.5.3 Share Splits

In the case of share splits with ex-date on Trading Day $t + 1$, it is assumed that the prices change in ratio of the terms of the split. The new Number of Total Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} \times B$$

where:

$x_{i,t+1}$ = Number of Total Shares of the affected Index Component on Trading Day $t + 1$

$x_{i,t}$ = Number of Total Shares of the affected Index Component on Trading Day t

B = Shares after the share split for every share held before the split

3.5.4 Stock Distributions

In the case of stock distributions with ex-date on Trading Day $t + 1$, it is assumed that the prices change according to the terms of the distribution. The new Number of Total Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} \times (1 + B)$$

where:

$x_{i,t+1}$ = Number of Total Shares of the affected Index Component on Trading Day $t + 1$

$x_{i,t}$ = Number of Total Shares of the affected Index Component on Trading Day t

B = Shares received for every share held

3.6 Correction Policy

The Calculation Agent shall make the greatest possible effort to accurately calculate and maintain its indices. However, the occurrence of errors in the index determination process cannot be ruled out. In such cases, the Calculation Agent adheres to its publicly available Correction Policy which can be downloaded from the following url: <https://www.solactive.com/news/documents/>.

3.7 Market Disruption

In periods of market stress, the Calculation Agent shall calculate the Index following predefined and exhaustive arrangements set out in its publicly available Disruption Policy which can be downloaded from the following url: <https://www.solactive.com/news/documents/>.

3.8 Consequences of an Extraordinary Event

In respect of a Business Day on which an Extraordinary Event comes into effect, the Trading Price for an Index Component on such day shall be the last available market price for such Index Component quoted on the Exchange on the day the event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Calculation Agent), as determined by the Calculation Agent, and this price is used as the Trading Price of the particular Index Component until the end of the day on which the composition of the Index is next set.

In the event of an Insolvency of an issuer of an Index Component the Index Component shall remain in the Index until the next Adjustment Day. As long as a market price for the affected Index Component is available on a Business Day, this shall be applied as the Trading Price for this Index Component on the relevant Business Day, as determined in each case by the Calculation Agent. If a market price is not available on a Business Day the Trading Price for this Index Component is set to zero. The Index Committee may also decide to eliminate the respective Index Component at an earlier point in time prior to the next Adjustment Day. The procedure in this case is identical to an elimination due to and Extraordinary Event.

4. Definitions

“Adjustment Day” means each day that occurs on the 3rd Friday of each calendar month, and if such day is not a Business Day, the immediately following Business Day.

“Affiliated Exchange” means, in respect of an Index Component, an exchange, a trading or quotation system on which options and futures contracts on the Index Component in question are traded, as specified by the Calculation Agent.

“Business Day” means each day that is a Trading Day.

“Calculation Agent” means Solactive AG or any other appropriately appointed successor in this function.

“Corporate Action” shall have the meaning as defined in *Section 3.5.1. Principles*.

“Daily Traded Value” means, in respect of a Security and of an Trading Day, the product of (i) the closing price of such Security (denominated in the Index Currency) as provided by the Exchange and (ii) the volume traded (measured as a number of Shares) of such Share on the Exchange during such Exchange Trading Day.

“Delisting” means, in respect of an Index Component, an event where the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in or the issuing of public quotes on the Index Component at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Calculation Agent.

“Dividend Correction Factor” is calculated as 1 minus the applicable withholding tax rate and/or other applicable tax rate currently prevalent in the respective country.

“Domestic Revenue” means, in respect of a Security and a Selection Day, the total revenue derived by the relevant company from Italy as a percentage of total revenue of the company, as published on the most recent annual company report, sourced using the FactSet Formula FF_GEOREV_COUNTRY_PCT.

“Exchange” means, in respect of Index and every Index Component, Borsa Italiana, Milan, Italy which is the primary exchange where such Index Component has its primary listing. The Index Committee may decide to designate a different stock exchange as the “Exchange” for trading reasons, even if the company is only listed there via a Stock Substitute.

“Extraordinary Event” means any of the following events:

- a Merger
- a Takeover bid
- a Delisting
- the Nationalisation of a company
- Insolvency.

“FactSet” is an independent third-party financial data provider.

“FactSet Formula” means the formula used to access specific financial data on the relevant software provided by FactSet.

“Foreign Revenue” means, in respect of a Security and a Selection Day, the percentage of total revenue derived by the relevant company from outside of Italy. It is calculated as 1 minus the Domestic Revenue.

“Free Float Market Capitalization” means, in respect of a Security and a Selection Day, the free float adjusted market capitalization of the relevant company. As at the date of this document, Free Float Market Capitalization

is calculated as the multiplication of the Free Float Percentage (as sourced from Thomson Reuters and calculated as the ratio of free float shares divided by total shares outstanding) multiplied with the Market Capitalization denominated in the Index Currency of the share class of such Security.

“Index Committee” shall have the meaning as defined in *Section 1.6 Index Committee*.

“Index Component” means, in respect of a Selection Day, each Security that shall be included in the Index.

“Index Component Weight” means, in respect of a Selection Day and an Index Component, the weight determined in accordance with the methodology described in *Section 2.2 Ordinary Adjustment*.

“Index Currency” means Euros (EUR).

“Index Inception Date” means the date on which the Index was launched and is equal to July 5th, 2017.

“Index Owner” means Solactive AG or any other appropriately appointed successor in this function.

“Index Universe” means, in respect of a Selection Day, all companies that have their stocks primarily listed at the Exchange and incorporated in Italy. Stocks of companies that are classified as Real Estate Companies are not considered eligible for inclusion into the index. Furthermore, only those stocks that are classified as common stock are considered eligible.

“Index Value” shall have a meaning as defined in *Section 1. Index Specifications*.

“Insolvency” occurs with regard to an Index Component if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Components or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

“Large Cap Security” (collectively referred to as **“Large Cap Securities”**) means, in respect of a Selection day, each of the fifty (50) Eligible Securities with the largest Free Float Market Capitalization.

“Last Twelve Month Sales” means, in respect of a Security and a Selection Day, the fiscal year sales as published on the most recent annual company report and sourced using the FactSet Formula FG_SALES.

“Market Capitalization” means, in respect of a Security and a Selection Day, the total market value of the share class of such Security sourced using the FactSet Formula P_Market_VAL_SEC. As at the date of this document, the Market Capitalization is calculated by multiplying the number of shares outstanding within the share class of such Security by the price of such Security denominated in the Index Currency.

“Merger” means, in respect of an Index Component, any of the following events:

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person,
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Component is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation),
- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal person), or
- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby

the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

“Merger Date” means the date on which a Merger is concluded or the date specified by the Calculation Agent if such a date cannot be determined under the law applicable to the Merger.

“Nationalisation” means a process whereby all shares or the majority of the assets of the issuer of the shares are nationalised or are expropriated or otherwise must be transferred to public bodies, authorities or institutions.

“Percentage Weight” of an Index Component is the ratio of its Trading Price multiplied by its Number of Shares divided by the Index value and the Divisor.

“Real Estate Company” (collectively referred to as **“Real Estate Companies”**) means a company that is classified under industry code 4890: Real Estate Development or 4885: Real Estate Investment Trusts under FactSet Industries and Economic Sectors classification system. Under FactSet Industries and Economic Sectors classification system, if a company qualifies as REIT then such company shall be classified under industry code 4890: Real Estate Investment Trust and if it is into development, leasing, sale and other real estate activities then such company shall be classified under 4885: Real Estate Development.

“Rebalancing Day” means a day on which the composition of the Index shall be adjusted.

“Return on Equity” means, in respect of a Security and a Selection Day, the amount of net income returned by the relevant company as a percentage of shareholders equity, as published on the most recent annual company report, sourced using the FactSet Formula FG_ROE.

“Review Day” means each day that occurs on the 2nd Friday of each calendar month and if such day is not a Business Day, the immediately following Business Day.

“Security” means, in respect of a company, any common share that is actively traded on a stock exchange.

“Selection Day” means each day that occurs on the 2nd Friday of April and 2nd Friday of October, and if such day is not a Business Day, the immediately following Business Day.

“Small and Medium Cap Security” (collectively referred to as **“Small and Medium Cap Securities”**) means, in respect of a Selection Day, each Eligible Security that is not a Large Cap Security.

“Stock Substitute” includes in particular American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).

“Takeover bid” means a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Component or the right to acquire these shares, as determined by the Calculation Agent based on notices submitted to public or self-regulatory authorities or other information considered by the Calculation Agent to be relevant.

“Three Month Average Daily Traded Value” means, in respect of a Security and a Selection Day, the sum of daily traded value over a three month period immediately preceding such Business Day divided by the number of Trading Days that occur during such three month period. It is sourced using the FactSet Formula AVG(XP_TURNOVER).

“Total Shares” is in respect of an Index Component and any given Business Day the number or fraction of shares included in the Index. It is calculated for any Index Component as the ratio of (A) the Index Component Weight of an Index Component multiplied by the Index value and the Divisor and (B) its Trading Price (converted into the index currency according to the principles laid out in *Section 1.4 Prices and Calculation Frequency* of this document).

“Trading Day” means, in respect of an Index or an Index Component, a day on which the 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 normal Exchange closing time. The Calculation Agent is ultimately responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Component or in any other connection relating to this document.

“Trading Price” means, in respect of a Trading Day and an Index component (subject to the provisions given above under “Extraordinary Events”), the closing price on such day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Calculation Agent shall determine the Trading Price and the time of the quote for the share in question in a reasonable manner.

“Twelve Month Forward Sales” means, in respect of a Security and a Selection Day, the estimated sales revenues of the relevant company for the twelve (12) month period immediately following such Selection Day. The estimated sales revenues are provided by Thomson Reuters I/B/E/S Estimates who are an independent third-party financial data provider.

5. Appendix

5.1 Contact Details

Information regarding the Index concept

Solactive AG

Platz der Einheit 1

60327 Frankfurt, Germany

Tel.: +49 69 719 160 00

5.2 Calculation of the Index – Change in Calculation Method

The application by the Calculation Agent of the method described in this document is final and binding. The Calculation Agent 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, financial or tax reasons may require changes to be made to this method. The Calculation Agent may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. Despite the modifications and changes the Calculation Agent will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.