

BNP Paribas Classic Allocation Index

Bloomberg Code : BNPICAI Index

Reuters Code : .BNPICAI

INDEX RULE BOOK

This Rule Book sets out the description of the Index and the Index Rules which are applied by the Index Sponsor and the Index Calculation Agent to determine the calculation of the Index from time to time.

Final Version: 18 March 2015

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I. Part A - Index Specific Rules

1. DESCRIPTION OF THE INDEX

The BNP Paribas Classic Allocation Index (the "**Index**") is a EUR (the "**Index Currency**") denominated Index. The objective of the Index is to provide synthetic exposure to the performance of a basket of Exchange Traded Products ("**ETP**") Component Types including reinvestment of any dividends or distributions thereon (i.e. it is a "Total Return" Index), where the weight of each ETP Component is rebalanced monthly in accordance with a proprietary allocation algorithm aimed at maximizing return for a predetermined level of risk. The performance of any ETP which is not denominated in EUR may be converted from its domestic currency into EUR in the manner described in subsection 6.2 (*Calculation of the Index Component Values*) of Section 6 (*Index Methodology*).

Volatility Control Mechanism

In order to control the volatility risks associated with the Index, a volatility control mechanism is built in and the Index Calculation Agent shall observe the volatility of the Index on a daily basis. When the Index Calculation Agent determines that the volatility of the Index has exceeded the maximum volatility target (the "**Maximum Volatility Target**") of 10.00%, then the exposure of the Index to certain of the Index Components will be reduced and a corresponding portion of the Index will reference money market assets, with the aim of maintaining the volatility of the Index below the Maximum Volatility Target. Transaction costs incurred in these rebalancings due to the volatility control mechanism will be reflected in the published Index Level and are predetermined.

The Index was established based on historical backtesting on May 20th, 2014 (the "**Index Start Date**") with an initial level of 100.00 index points ("**Initial Index Level**").

The methodology of the Index is set out in Section 6 (*Index Methodology*).

The Index is calculated, maintained, rebalanced and published by BNP Paribas Arbitrage SNC (the "**Index Calculation Agent**") and sponsored by BNP Paribas (the "**Index Sponsor**"). The Index is calculated and published on a daily basis by the Index Calculation Agent. The Index Sponsor has not appointed an Index Investment Advisor in respect of the Index.

Index Costs

Certain costs are deducted from the Index Level, which cover, amongst other things, execution costs associated with running the Index. These are defined in subsection 6.1.1 of Section 6 (*Index Methodology*). Such execution costs are fixed as at the Index Start Date, but may be increased following the occurrence of an Index Increased Cost of Maintenance Event, as defined in subsection 7.1 of Section 7 (*Index Adjustment, Suspension and Termination Events*). Following such an event, the level of the execution costs will be determined by the Index Sponsor, acting in good faith and a commercially reasonable manner and displayed on Internet page <https://indices-globalmarkets.bnpparibas.com>, or any successor pages thereto, and on any other data provider as the Index Sponsor deems appropriate.

Composition of the Index

On the Index Start Date, the Index was comprised of Index Components of the type (each an **"Index Component Type"**) and each with a minimum and maximum weighting in the Index (the **"Min Weight"** and **"Max Weight"** respectively) and currency denomination set out in the table below:

n	Name	Index Component Type	ISIN	BBG	Currency ("Curr")	Min Weight	Max Weight
1	iShares USD Treasury Bond 1-3 Year UCITS ETF	ETP	IE00B14X4S71	IBTS LN Equity	GBP	0	0.046154
2	iShares USD Treasury Bond 7-10 Year UCITS ETF	ETP	IE00B1FZS798	IBTM LN Equity	GBP	0	0.046154
3	iShares Euro Government Bond 1-3yr UCITS ETF	ETP	DE000A0J21A7	IBCA GT Equity	EUR	0	0.046154
4	iShares Euro Government Bond 3-5yr UCITS ETF	ETP	IE00B1FZS681	IEGX LN Equity	EUR	0	0.046154
5	iShares Euro Government Bond 7-10yr UCITS ETF	ETP	IE00B1FZS806	IEGM LN Equity	EUR	0	0.046154
6	iShares iBoxx \$ Investment Grade Corporate Bond ETF	ETP	US4642872422	LQD UP Equity	USD	0	0.046154
7	iShares Euro Corporate Bond Large Cap UCITS ETF	ETP	IE0032523478	IBCX LN Equity	EUR	0	0.046154
8	iShares iBoxx \$ High Yield Corporate Bond ETF	ETP	US4642885135	HYG UP Equity	USD	0	0.046154
9	iShares Euro High Yield Corporate Bond UCITS ETF	ETP	IE00B66F4759	IHYG LN Equity	EUR	0	0.046154

10	iShares JP Morgan USD Emerging Markets Bond ETF	ETP	US4642882819	EMB UP Equity	USD	0	0.069231
11	iShares Emerging Markets Local Currency Bond ETF	ETP	US4642865178	LEMB UP Equity	USD	0	0.023077
12	iShares Euro Inflation Linked Government Bond UCITS ETF	ETP	IE00B0M62X26	IBCI NA Equity	EUR	0	0.046154
13	iShares TIPS Bond ETF	ETP	US4642871762	TIP UP Equity	USD	0	0.046154
14	iShares S&P 500 UCITS ETF	ETP	IE0031442068	IUSA NA Equity	EUR	0	0.502118
15	iShares MSCI Europe UCITS ETF	ETP	IE00B1YZSC51	IMEU NA Equity	EUR	0	0.219942
16	iShares MSCI Japan EUR UCITS ETF	ETP	IE00B02KXH56	IJPN NA Equity	EUR	0	0.072441
17	iShares MSCI Pacific ex Japan ETF	ETP	US4642866655	EPP UP Equity	USD	0	0.041188
18	iShares EM Latin America UCITS ETF	ETP	IE00B27YCK28	LTAM LN Equity	GBP	0	0.015807
19	iShares China LargeCap ETF	ETP	US4642871846	FXI UP Equity	USD	0	0.016891
20	iShares MSCI South Korea Capped ETF	ETP	US4642867729	EWY UP Equity	USD	0	0.015355
21	iShares MSCI India ETF	ETP	US46429B5984	INDA UF Equity	USD	0	0.007858
22	iShares MSCI South Africa ETF	ETP	US4642867802	EZA UP Equity	USD	0	0.008400
23	BNPP Paribas USD EUR Forward Index	Custom Index		BNPIUSEU index	EUR	-	-

To determine the Index Levels from the Index Start Date, values of the Index Components and the Index for a period between May 08th, 2013, the "**Index Initial Data Date**" and the Index Start Date were used to establish the necessary performance history required for the operation of the Index Rules. Not all values for the Index Components were available (or were deemed suitable) from the Index Initial Data Date. Consequently, at any given date prior to the Index Start Date, values for the Index Components and the Index may have been simulated or approximated by or from substitute assets obtained from sources deemed to be appropriate and may include other market indices and excess return versions of the Index Components when available. On any day, the current composition of the Index will be available on <https://indices-globalmarkets.bnpparibas.com>.

Following the Index Start Date, the composition of the Index may be adjusted from time to time by the Index Calculation Agent in accordance with the Index Rules, in particular following the occurrence of an Extraordinary ETP Event or an Additional Extraordinary ETP Event.

2. ADJUSTMENTS TO INDEX COMPONENTS

If any Index Component ceases to exist or is, or would be, subject to an adjustment pursuant to the provisions of any Appendix hereto, or if the Hedging Party informs the Index Sponsor that a Hedging Disruption Event has occurred in respect of that Index Component, the Index Sponsor (and, where applicable, following consultation with the Index Investment Advisor), acting in good faith and in a commercially reasonable manner, may: (a) require the Index Calculation Agent to (i) effect no change to the Index, (ii) adjust the Index in such manner as the Index Sponsor and, where applicable, the Index Investment Advisor, deem appropriate including, but not limited to, replacing such Index Component with a replacement Index Component, or (iii) continue to calculate and publish (as applicable) the Index without such Index Component or any replacement therefore, subject to the provisions of Section 6 (*Index Methodology*); or (b) if the Index Sponsor determines that none of subparagraphs (a)(i) through (iii) are appropriate or practicable, terminate the Index in accordance with its policies and procedures, acting on a best efforts basis.

The aim of the Index Calculation Agent when making any such operational adjustments is to ensure that, so far as possible, the basis principles and economic effect of the Index are maintained.

3. CALCULATION OF THE INDEX LEVEL AND PUBLICATION OF THE INDEX LEVEL

- 3.1 The Index is calculated on or in respect of each Index Level Calculation Date, as further described in Section 6, subject to the provisions of this Section 3 (Calculation of the Index Level and Publication of the Index Level) and Section 4 (Non-Scheduled Trading Days, Disrupted Days and Non-Publication of an Index Component Level). The Initial Index Level and the initial composition of the Index on the Index Start Date is set out in Section 1 (Description of the Index) and (Composition of the Index) respectively. Where an Index Component is denominated in a currency other than the Index Currency, the conversion of the level or price, as the case may be, for such Index Component into the Index Currency shall be determined by the Index Calculation Agent on the basis of the official fixing of the foreign exchange reference rates as published on Reuters page WMRSPOT01 based on the USD crossing, for the currency in which the relevant Index Component is denominated or any other source that the Index Calculation Agent may deem appropriate.
- 3.2 Subject to Section 4 (*Non-Scheduled Trading Days, Disrupted Days and Non-publication of an Index Component Level*) of this Part A, on each Publication Date the Index Calculation Agent will publish the Index Level as at the last preceding Index Level Calculation Date (which is expected to be 1 Business Day prior to the Publication Date). The Index Level will be published by the Index Calculation Agent

on Bloomberg Screenpage BNPICAI Index and Reuters Ticker .BNPICAI, or any successor pages thereto, and on any other data provider as the Index Sponsor deems appropriate. In the event of inconsistency between Index Levels published on Bloomberg or Reuters or any other data provider's system then the Index Level published on Bloomberg shall prevail.

4. NON-SCHEDULED TRADING DAYS, DISRUPTED DAYS AND NON-PUBLICATION OF AN INDEX COMPONENT LEVEL

4.1 If any Business Day is a non-Scheduled Trading Day, is not a Reference Index Level Publication Day or is a Disrupted Day (as applicable) in respect of one or more Index Components (an "**affected Index Component(s)**"), then the Index Sponsor may :

- (i) deem such a day to be an Index Level Calculation Date and require the Index Calculation Agent to calculate and publish the Index Level in respect of such day (a) using the last value which was available in respect of the affected Index Component(s), or (b) using a good faith estimate of the value of the affected Index Component(s) or (c) deeming, for the purposes of calculating the Index Level, the value of any one or more of such affected Index Components to be equal to zero. The Index Sponsor may further determine that such date is not an Index Trading Day, notwithstanding that it is an Index Level Calculation Date; or
- (ii) deem such a day not to be an Index Level Calculation Date and as a consequence require the Index Calculation Agent not to calculate and publish the Index Level in respect of such day either (a) in the case of non-Scheduled Trading Days, until the next following Scheduled Trading Day; or (b) in the case of Disrupted Days, for a period not exceeding the Maximum Number of Days of Disruption provided that after the Maximum Number of Days of Disruption has elapsed, the Index Sponsor may require the Index Calculation Agent to either resume the calculation and publication of the Index Level in accordance with subsection (i) above or make such adjustment to the Index as the Index Sponsor and the Index Investment Advisor, where applicable, deems appropriate in accordance with Section 2 above, including, but not limited to, replacing such affected Index Component(s) with replacement Index Component(s).

4.2 In addition to the rights set out in Section 4.1 above, the Index Sponsor may require the Index Calculation Agent to delay or suspend the calculation and publication of the Index Level for a period not exceeding the Maximum Number of Days of Disruption, or discontinue the calculation and publication of the Index Level, if it determines that any event or circumstance has occurred and is continuing which would make the determination of the Index Level impossible or impracticable including, without limitation, any event or circumstance that does not result in a Disrupted Day and which is contemplated in Part B (*Index Component Adjustment Rules*) of these Index Rules or any event or circumstance that interrupts the ability of the Index Sponsor, the Index Investment Advisor, where applicable, or Index Calculation Agent to perform its duties in respect of the Index.

5. ADDITIONAL DEFINITIONS

5.1 In these Index Rules:

"Business Day" means any week day except for 25 December and 1 January in each year.

"Computation Day" means the second Index Trading Day after the second Wednesday of each month.

"Disrupted Day" in respect of any Index Component has the meaning given to such term in the Appendix of these Index Rules for the relevant Index Component Type detailed in Section 1 of Part A.

"Hedging Disruption Event" means, in respect of any Index Component(s), the occurrence of any event that the Index Sponsor determines in good faith and in a commercially and reasonable manner would materially restrict any Hedge Provider from: (i) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of asset(s), transaction(s) or any futures or option contracts on any asset to hedge any relevant price risk associated with entering into and performing its obligations in relation to a relevant Index Component(s); (ii) freely realising, recovering, receiving, repatriating, remitting or transferring the proceeds of hedge positions relating to a relevant Index Component between accounts within the jurisdiction of the hedge positions (the **"Affected Jurisdiction"**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction; (iii) determining a rate at which any currency relevant to the relevant Index Component(s) or hedge positions relating to the Index may be converted into the Index Currency; or (iv) converting any currency relevant to the Index Component(s) or the hedge positions relating to the Index or the Index Component(s) into another currency relevant to such hedge positions or Index Component(s)

"Hedge Provider" means a hypothetical party that would hedge an issuer's obligations in respect of a product linked to the Index

"Hedging Party" means BNP Paribas S.A. or any of its affiliates hedging a transaction linked to the Index

"Index Level" means the level of the Index on any relevant day

"Index Level Calculation Date" means each Business Day on which the Index Calculation Agent determines that it is able to calculate the Index Level, based on the availability of the prices, levels or values of the Index Components and subject to the provisions of Section 4 of Part A of the Index Rules.

"Index Rules" means the rules in relation to the Index as set out in Parts A to C and each Appendix in respect of relevant Index Component Types (inclusive) hereto.

"Index Trading Day" means any Business Day on which a Hedging Party determines that it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index.

"Maximum Number of Days of Disruption" means 20 Scheduled Index Business Days.

"Publication Date" means the first Business Day following each Index Level Calculation Date.

"Rebalancing Day" means the second Business Day following the Computation Day, or if such day is

not an Index Trading Day, the first day thereafter which is an Index Trading Day.

"Scheduled Index Business Day" means any week day that is scheduled to be both an Index Level Calculation Date and an Index Trading Day.

"Scheduled Trading Day" in respect of any Index Component has the meaning given to such term in the Appendix of these Index Rules for the relevant Index Component Type detailed in Section 1 of Part A.

5.2 Unless a contrary indication appears any reference in the Index Rules to:

- 5.2.1 the "Index Calculation Agent", the "Index Sponsor", the "Index Investment Advisor", where applicable, and any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- 5.2.2 any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, replaced or restated;
- 5.2.3 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 5.2.4 a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 5.2.5 a provision of law is a reference to that provision as amended or re-enacted.

5.3 Part, Section, and Appendix headings are for ease of reference only.

6. INDEX METHODOLOGY

6.1 Index Calculation

6.1.1. Calculation of the Index Level:

On each Index Level Calculation Date t , the Index Level will be calculated by the Index Calculation Agent as follows:

$$Index(t) = Index(\text{lastrollst}) + \sum_{j=1}^N n_{j,t} \times (Asset_{j,t} - Asset_{j,\text{lastrollst}}) + n_{cash,t} (Cash_t - Cash_{\text{lastrollst}}) - \sum_{j=1}^N Exec_{j,t}$$

with $Exec_{j,t} = Abs(n_{j,t} - n_{j,t-1}) \times Asset_{j,t-1} \times Execfees^j$ when $t-1 = \text{lastrollst}$, 0 otherwise

$$Cash_t = Cash_{t-1} \left(1 + Eonia_{t-1} \times \frac{Act(t-1,t)}{360} \right)$$

$$Cash(0) = Index(0) = 100$$

$$Exec_{j,0} = 0$$

Where:

“t” means any Index Level Calculation Date subsequent to the Index Start Date (t=0).

“last rollst” means the Index Trading Day immediately preceding Index Level Calculation Date t, when the Global Used Weight was changed.

“N” means the Number of Index Components -1 (N = 22 as of the Index Start Date)

“ $Asset_{j,t}$ ” means the value of each Index Component j after reinvestment of dividends, converted into Euro where applicable, determined in accordance with the provisions of Section 6.2, below;

“Execfees^j” means the Execution Fees, being as at the Index Start Date 0.04% for each Index Component j (j=1..22), subject to adjustment following the occurrence of an Index Increased Cost of Maintenance Event, as defined in subsection 7.1 of Section 7 (*Index Adjustment, Suspension and Termination Events*);

“ $Eonia_{t-1}$ ” means the Euro Overnight Index Average rate published at 19.00 Central European Time on Bloomberg Screenpage EONIA Index, on TARGET 2 Settlement Day t-1, provided that, if no rate is so published, the Index Calculation Agent will determine such rate from such other source as it in its absolute discretion may deem appropriate.

“Act(t1,t2)” means the number of calendar days from date t1 (excluded) to date t2 (included)

6.1.2 Daily calculation of the Target Volatility Control Weight for the Index:

In order to determine tvcw, the Target Volatility Control Weight, the Index Calculation Agent shall compute the historical prices, over a period of 41 Business Days, for a hypothetical basket (“B*”) that would have the Target Optimal Weight as of the immediately preceding Rebalancing Day, and determine the 20-day historical volatility for such basket over such period. Hence, at any time t, tvcw is calculated as follows:

$$tvcw_t = \min\left(100\%, \frac{V_{target}}{V_{table}_{i^*}}\right) \text{ with } i^* = \min(i \mid Vol_{max}(t) \leq V_{table}_i)$$

Where:

$$V_{target} = 10\%$$

$$Vol_{max}_t = \max_{0 \leq i \leq V_{permax}-1} (Vol_{t-i})$$

V_{permax} = Number of Index Level Calculation Dates used for determining the maximum volatility of the Index, equal to 20.

$$V_{table}_1 = V_{target}$$

$$V_{table}_i = V_{table}_{i-1} + V_{step} \quad i > 1$$

V_{step} = Volatility step used to build the allocation table and equal to 1%

For example, if at any time t, $Vol_{max}(t)$ is lower than or equal to V_{target} (10%), then V_{table}_i used is V_{target} and $tvcw(t)$ equals 100%. Otherwise, if $Vol_{max}(t)$ is higher than V_{target} but is lower than or equal to $V_{target}+1\%$, then V_{table}_i used is 11% and $tvcw(t)$ equals 90.91%.

The 20-day historical volatility of B* on Index Level Calculation Date t shall be determined in accordance with the following formula:

$$\text{Vol}_t = \sqrt{252 \times \left[\frac{1}{V_{\text{per}}} \sum_{k=1}^{V_{\text{per}}} \text{Ln}^2 \left(\frac{B^*_{t,t-k+1}}{B^*_{t,t-k}} \right) - \left(\frac{1}{V_{\text{per}}} \sum_{k=1}^{V_{\text{per}}} \text{Ln} \left(\frac{B^*_{t,t-k+1}}{B^*_{t,t-k}} \right) \right)^2 \right]}$$

Where:

“Vper” means the number of Index Level Calculation Dates used for daily risk monitoring and is equal to 20.

“B*” means the daily value of the hypothetical basket determined in accordance with the following formula:

For each Index Level Calculation Date t-k, k falling between Vper and 1, “B*” is defined as:

For k=Vper, $B^*_{t,t-V_{\text{per}}} = 100$

$$B^*_{t,t-k+1} = B^*_{t,t-k} \times \sum_{j=1}^N \left(\text{tow}_{j,\text{lastComp}} \frac{\text{Asset}_{j,t-k+1}}{\text{Asset}_{j,t-k}} \right)$$

Where:

“tow_{j,t}” means the Target Optimal Weight of Asset j applicable on Business Day t, as determined by the Index Calculation Agent. Target Optimal Weights will be computed on a monthly basis on the relevant Computation Day in accordance with the provisions of Condition 6.3 (*Rebalancing Methodology*). Any rebalancing necessary will commence on the next following Rebalancing Day.

“lastComp” means the Computation Day immediately preceding Index Level Calculation Date t.

“Asset_{j,t-k}” means the value on Index Level Calculation Date t-k of Assetj determined in accordance with the provisions of Section 6.2, below.

“k” means a value between Vper and 1.

6.1.3 Daily calculation of the weight allocation of [Assets] in the Index:

At any time t, the allocation $n_{j,t}$ of the Index to Asset j (j=1..22) shall be determined in accordance with the following formula:

$$n_{j,t} = \text{guw}_{j,t-1} \times \frac{\text{Index}_{t-1}}{\text{Asset}_{j,t-1}} \text{ if } \text{guw}_{j,t-1} \neq \text{guw}_{j,t-2}$$

$$n_{j,t} = n_{j,t-1} \quad \text{otherwise}$$

$\text{guw}_{j,t}$ is the Global Used Weight of Asset j (j=1..22) on the Index Level Calculation Date, calculated as follows:

$$\text{guw}_{j,0} = \text{tow}_{j,0} \times \text{tvcw}_0$$

and at any time then after,

$$\text{guw}_{j,t} = \text{tow}_{j,\text{lastroll}} \times \text{tvcw}_{t_{\text{lag}}}$$

if t is an Index Trading Day

Where

“ t_lag ” means 2 Business Days preceding Index Level Calculation Date t , or if such day is not an Index Trading Day, the first day preceding such day which is an Index Trading Day.

“last roll” means the Rebalancing Day immediately preceding Index Level Calculation Date t .

otherwise

$$guw_{j,t} = guw_{j,t-1}$$

At any time t , the allocation $n_{cash,t}$ of the Index is determined by:

$$n_{Cash,t} = guw_{Cash,t-1} \times \frac{Index_{t-1}}{Cash_{t-1}}$$

$$\text{With } guw_{Cash,t} = 1 - \sum_j guw_{j,t}$$

6.2 Calculation of Asset Values

Dividends are reinvested in each Asset j ($j=1..22$), and the performance recalculated in accordance with the following formula:

$$Asset_{j,0}^{curr} = ETF_{j,0}$$

$$Asset_{j,t}^{curr} = Asset_{j,t-1}^{curr} \times \frac{ETF_{j,t} + \sum_{p \in P} \alpha_j d_{j,p}}{ETF_{j,t-1}}$$

Where:

$Asset_{j,t}^{curr}$

ETF j , after reinvestment of dividends, determined in accordance with the provisions hereof;

$ETF_{j,t}$

The Value per ETP Interest of Index Component j in its domestic currency on Index Level Calculation Date t as determined by the Index Calculation Agent.

$p \in P$ represents any Index Level Calculation Date from, and including, the preceding Rebalancing Day, on which a dividend is paid in respect of an Index Component j

α_j the Reinvestment Rate of the dividend of Index Component j . As of the date of this Rule Book, the Reinvestment Rates are equal to:

Country of Domicile	Reinvestment rate
Ireland	80.00%
United States	70.00%

$d_{j,p}$ the gross dividend paid on Index Level Calculation Date p in respect of Index Component j as determined by the Index Calculation Agent

The Index Calculation Agent shall then determine the value of each Asset j (j=1..22) as follows:

-Calculation of Asset j=17, 18, 19, 20, 21, 22 Value:

$$\text{Asset}_{j,0} = 100$$

$$\text{Asset}_{j,t+1} = \text{Asset}_{j,t} \times \left(\frac{\text{Asset}_{j,t+1}^{\text{curr}}}{\text{Asset}_{j,t}^{\text{curr}}} \times \frac{\text{Fx}_{t+1}^{\text{curr}}}{\text{Fx}_t^{\text{curr}}} \right);$$

Where:

$\text{Fx}^{\text{Curr}}(t)$ means the foreign exchange fixing rate of currency denomination “Curr” for each Asset j (as set forth in the Table in subsection “*Composition of the Index*” of Section 1 (*Description of the Index*)) on Business Day t against EUR as published on Reuters page **WMRSPOT01** or, if such page is not available, such other source as the Index Calculation Agent may deem appropriate.

- Calculation of Asset j=1, 2, 6, 8, 10, 11, 13 Value:

$$\text{Asset}_{j,0} = 100$$

$$\text{Asset}_{j,t+1} = \text{Asset}_{j,t} \times \left(1 + \frac{\text{Asset}_{j,t+1}^{\text{curr}}}{\text{Asset}_{j,t}^{\text{curr}}} \times \frac{\text{Fx}_{t+1}^{\text{curr}}}{\text{Fx}_t^{\text{curr}}} - \frac{\text{IndexComponent}_{23,t+1}}{\text{IndexComponent}_{23,t}} \right)$$

- Calculation of Asset j= 3, 4, 5, 7, 9, 12, 14, 15, 16 Value:

$$\text{Asset}_{j,t} = \text{Asset}_{j,t}^{\text{curr}}$$

6.3 Rebalancing Methodology

The algorithm aims at maximising the target return of the Index, whilst controlling volatility. The results of this optimization are the Target Optimal Weights of Asset j (j=1..22), “tow_j”.

Phase 1: portfolio calculation

The Index Calculation Agent calculates on each Computation Day, t_k , a Portfolio_Target_Return (t_k) and a Portfolio_Volatility(t_k) for a finite number of weighted combinations of Assets respecting the following constraints (each a “Portfolio”):

$$0\% \leq \sum_{j=1}^N w_{j,t_k} \leq 100\%$$

for each j , $1 \leq j \leq N$, $\text{MinWeight_EF}_j \leq w_{j,t_k} \leq \text{MaxWeight_EF}_j$

$$\sum_{j=1, \dots, N} w_{j,t_k} \times \text{Gap}_j \leq 20\%$$

MinWeight_EF_j and MaxWeight_EF_j are the efficient frontier floor and cap for component j used for the calculation of the optimal portfolio and given by the following table:

j	MinWeight_EF	MaxWeight_EF
1	0.015385	0.046154
2	0.015385	0.046154
3	0.015385	0.046154
4	0.015385	0.046154
5	0.015385	0.046154
6	0.015385	0.046154
7	0.015385	0.046154
8	0.015385	0.046154
9	0.015385	0.046154
10	0.023077	0.069231
11	0.007692	0.023077
12	0.015385	0.046154
13	0.015385	0.046154
14	0.167373	0.502118
15	0.073314	0.219942
16	0.024147	0.072441
17	0.013729	0.041188
18	0.005269	0.015807
19	0.005630	0.016891
20	0.005118	0.015355
21	0.002619	0.007858
22	0.002800	0.008400

- Phase 2: Volatility selection

Among all the Portfolios found at the conclusion of Phase 1, the Index Calculation Agent will retain only those which meet the following criteria: Portfolio_Volatility (t_k) < **10%**. If this cannot be achieved, the Portfolio_Volatility (t_k) shall be increased in increments of 1% until at least one Portfolio meets the criteria.

$PV(t_k) = \text{Portfolio_Volatility}(t_k)$:

$$PV(t_k) = \sqrt{\sum_{i,j} w_{i,t_k} \times w_{j,t_k} \times Covar_{i,j}(t_k)}$$

where

$$Covar_{i,j}(t) = \lambda_{n_var} \times Covar_{i,j}(t-1) + (1 - \lambda_{n_var}) \times 252 \times \left(\frac{Asset_{i,t}}{Asset_{i,t-1}} - 1 \right) \times \left(\frac{Asset_{j,t}}{Asset_{j,t-1}} - 1 \right)$$

where:

$$Covar_{i,j}(-252) = \begin{cases} \text{initial_vol}^2 & \text{if } i = j \\ 0 & \text{else} \end{cases}$$

and for any integer n

$$\lambda_n = \left(\frac{1}{2} \right)^{\frac{1}{n}}$$

“n_var” means gross basket covariance calculation length equal to 252;

“initial_vol” means the starting value to compute Covar, equal to 10%;

- Phase 3: Portfolio selection

Among all the Portfolios found at the conclusion of Phase 2, the Index Calculation Agent will retain the combination that maximizes the Portfolio_Target_Return (t_k)

where:

“PTR(t_k)” means the Portfolio_Target_Return(t_k)

$$PTR(t_k) = \sum_{j=1}^N w_{j,t_k} \times AR_j(t_k)$$

$AR_j(t_k)$: represents the expected return of $Asset_j$ and is defined by:

$$AR_j(t_k) = \text{Trend_Indicator}_{j,t_k} \times \text{Long_Term_Volatility}_j \times \text{Regional_factor}_{j,t_k}$$

where

$$\text{Trend_Indicator}_{j,t_k} = \frac{1}{\text{Per}} \sum_{k=0}^{\text{Per}-1} 1_{\text{Asset}_{j,t_k} > \text{Asset}_{j,t_k-k}} \quad \text{and}$$

Per number of days for tow_j calculation, equal to 252

Long_Term_Volatility_j represents the historical volatility of Asset j (j=1..22) as estimated by the Index Calculation Agent, set at the levels below on the Index Start Date:

Asset j	Long_Term_Volatility	Gap
1	3.29%	2.50%
2	7.74%	10.00%
3	1.86%	2.50%
4	2.83%	5.00%
5	4.92%	10.00%
6	6.40%	14.30%
7	3.20%	14.30%
8	5.74%	16.70%
9	5.77%	16.70%
10	7.58%	20.00%
11	9.08%	20.00%
12	5.73%	16.70%
13	7.19%	16.70%
14	15.14%	20.00%
15	18.08%	20.00%
16	16.94%	20.00%
17	21.30%	20.00%
18	22.29%	25.00%
19	19.57%	25.00%
20	26.13%	25.00%
21	27.47%	25.00%
22	28.55%	25.00%

Regional_factor_{j,t_k} means the regional classification for Asset j (j=1..22), which will be determined on each Computation Day, t_k, using such sources that the Index Sponsor deems appropriate, including the regional classifications in the research table from BlackRock reflecting the views of the BlackRock and iShares Investment Strategy Team, presently known as “Investment Directions”, or any successor thereto howsoever described or named (the “Research View”), which as at the date of this Rulebook is as set forth below:

Region_table (t_k) :

Research component p	Asset Class	Geography	Country / Sector	research view (negative / neutral / positive)
1	DM Equities	North America	United States	
2	DM Equities	North America	Canada	
3	DM Equities	Europe	Eurozone	
4	DM Equities	Europe	Switzerland	
5	DM Equities	Europe	United Kingdom	
6	DM Equities	Asia-Pacific	Japan	
7	DM Equities	Asia-Pacific	Australia	
8	EM Equities	Asia-Pacific	China	
9	EM Equities	Asia-Pacific	India	
10	EM Equities	Asia-Pacific	South Korea	
11	EM Equities	Latin America	Brazil	
12	EM Equities	Latin America	Mexico	
13	EM Equities	Emerging EMEA	Russia	
14	EM Equities	Emerging EMEA	South Africa	
15	Fixed Income	EM	Emerging Markets	
16	Fixed Income	US	US High Yield Credit	
17	Fixed Income	US	US Investment Grade Credit	
18	Fixed Income	US	U.S. Mortgage-Backed Securities	
19	Fixed Income	US	U.S. Municipals	
20	Fixed Income	US	US TIPS	
21	Fixed Income	US	US Treasuries	
22	Fixed Income	ex-US	Non-US Developed Markets	
23	Fixed Income	Europe	European Core Government Bonds	
24	Fixed Income	Europe	European Peripheral Government Bonds	
25	Fixed Income	Europe	EUR High Yield Credit	
26	Fixed Income	Europe	EUR Investment Grade Credit	
27	Fixed Income	Europe	EUR Inflation-Linked Bonds	
28	Fixed Income	UK	Gilts	
29	Alternatives	Commodities	Gold	

RC(p) means the research score for the Research component p (p =1..29), determined as set forth below.

RC(p) shall equal 0.5 when the research view for that Research component p is underweight or negative;

RC(p) shall equal 1 when the research view for that Research component p is neutral; and

RC(p) shall equal 1.5 when the research view for that Research component p is overweight or positive.

If no research view is given for a Research component p in the Research Report, it shall be deemed to be neutral for that Research component p.

If the Research View is not available on any Computation Day t_k , the *Regional_factor_{j,t_k}* shall remain unchanged from the preceding Computation Day t_{k-1} . If the Research View is not available on two consecutive Computation Days, the *Regional_factor_{j,t_k}* shall be set as if the research view were neutral.

The relevant *Regional_factor_{j,t_k}* shall then be computed for Asset j as described below and applied in the calculation of tow:

j	Index Component j Name	Regional_factor _j
1	iShares USD Treasury Bond 1-3 Year UCITS ETF	RC (21)
2	iShares USD Treasury Bond 7-10 Year UCITS ETF	RC (21)
3	iShares Euro Government Bond 1-3yr UCITS ETF	45% x RC (23) + 55% x RC(24)
4	iShares Euro Government Bond 3-5yr UCITS ETF	53% x RC (23) + 47% x RC (24)

5	iShares Euro Government Bond 7-10yr UCITS ETF	75% x RC (23) + 25% x RC (24)
6	iShares iBoxx \$ Investment Grade Corporate Bond ETF	RC (17)
7	iShares Euro Corporate Bond Large Cap UCITS ETF	RC (26)
8	iShares iBoxx \$ High Yield Corporate Bond ETF	RC (16)
9	iShares Euro High Yield Corporate Bond UCITS ETF	RC (25)
10	iShares JP Morgan USD Emerging Markets Bond ETF	RC (15)
11	iShares Emerging Markets Local Currency Bond ETF	RC (15)
12	iShares Euro Inflation Linked Government Bond UCITS ETF	RC (27)
13	iShares TIPS Bond ETF	RC (20)
14	iShares S&P 500 UCITS ETF	RC (1)
15	iShares MSCI Europe UCITS ETF	54% x RC (3) + 30% x RC (5) + 16% x RC (4)
16	iShares MSCI Japan EUR UCITS ETF	RC (6)
17	iShares MSCI Pacific ex Japan ETF	RC (7)
18	iShares EM Latin America UCITS ETF	70% x RC (11) + 30% x RC (12)
19	iShares China LargeCap ETF	RC(8)
20	iShares MSCI South Korea Capped ETF	RC(10)
21	iShares MSCI India ETF	RC(9)
22	iShares MSCI South Africa ETF	RC(14)

7. INDEX ADJUSTMENT, SUSPENSION AND TERMINATION EVENTS

- 7.1 Upon the occurrence of an Index Increased Cost of Maintenance Event, the Index Sponsor shall take into account as it deems appropriate, any amendment, correction or any potential adjustment of the Index of whatsoever nature relating to the Index Increased Cost of Maintenance Event and may require the Index Calculation Agent to make adjustments to the Index to reflect the Index Increased Cost of Maintenance Event. In making any such adjustments the Index Sponsor may either i) increase the Execution Cost (as defined in subsection 6.1.1 of Section 6 (*Index Methodology*)) in respect of any one or more components in the Index affected by the Index Increased Cost of Maintenance Event by an amount it determines in good faith and a commercially reasonable manner to be appropriate to offset the effect of the Index Increased Cost of Maintenance Event; or ii) require the Index Calculation Agent to substitute an existing component in the Index with a replacement component which it deems suitable and perform the necessary adjustments to the Index, or iii) where the Index Sponsor determines in good faith and a commercially reasonable manner that neither an increase to the Execution Cost nor a substitution is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index Increased Cost of Maintenance Event**" shall be deemed to have occurred if the Index Sponsor acting in good faith and a commercially reasonable manner deems that the amount of tax, duties, expenses, fees and rates (including without limitation any stock loan and/or stock borrowing and/or repo and/or replication costs or rates) of acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any transactions or assets it deems necessary to enter into in order to compute, compile, hedge and/or maintain the Index has increased since the date the Index was launched.

- 7.2 Upon the occurrence of an Index CSR Event, the Index Sponsor may require the Index Calculation Agent to make any adjustments to the Index as it deems appropriate to account for the Index CSR Event. In making any such adjustments, the Index Sponsor may either i) require the Index Calculation Agent to substitute an existing Index Component with a replacement Index Component which it deems suitable and perform the necessary adjustments to the Index or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such substitution is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index CSR Event**" shall be deemed to have occurred if the Index Sponsor, acting in good faith and a commercially reasonable manner, determines that the inclusion or retention of any Index Component in the Index would result in the Index Sponsor breaching any corporate social responsibility policy maintained by the Index Sponsor or any of its affiliates.

- 7.3 Upon the occurrence of an Index Force Majeure Event, the Index Sponsor may suspend the Index until the end of the Index Force Majeure Event (the "**Index Suspension Period**"). If the Index Suspension Period exceeds one month the Index Sponsor may either i) require the Index Calculation Agent to adjust the Index taking into account as it deems appropriate, any amendment or potential adjustment of the Index of whatsoever nature relating to the Index Force Majeure Event and in making any such adjustments the Index Sponsor may advise the Index Calculation Agent to substitute an Index Component in the Index with a replacement component which it deems suitable and subsequently perform the necessary adjustments to the Index or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such adjustment is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index Force Majeure Event**" shall be deemed to have occurred if the performance of the Index Sponsor and/or the Index Calculation Agent's obligations is prevented or materially hindered or delayed due to (a) any act, law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or (c) any expropriation, confiscation, requisition, nationalization or other action taken or threatened by any Government Authority that deprives the Index Sponsor or Hedging Party (or any of their relevant affiliates), of all or substantially all of their assets in

the relevant currency jurisdiction; and

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

- 7.4 Upon the occurrence of an Index Change in Law Event, the Index Sponsor may either i) require the Index Calculation Agent to adjust the Index taking into account as it deems appropriate, any amendment or potential adjustment of the Index of whatsoever nature relating to the Index Change in Law Event and in making any such adjustments the Index Sponsor may advise the Index Calculation Agent to substitute an existing component in the Index with a replacement component which it deems suitable and perform the necessary adjustments to the Index or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such adjustment is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An **"Index Change in Law Event"** shall be deemed to have occurred if, (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of tax, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing or financial authority) or the combined effect thereof if occurring more than once, the Index Sponsor determines that it has become illegal to hold, acquire or dispose of any Index Components (or parts thereof) or any relevant hedge positions relating to the Index.

- 7.5 Upon the occurrence of an Index Tax Event, the Index Sponsor may review the composition of the Index and make such adjustments as it deems necessary.

"Index Tax Event" means any change in any applicable tax law or tax regulation, (b) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable tax law or tax regulation (including any action taken by a taxing authority) affecting the Index, or (c) where there is a substantial likelihood of a change in any applicable tax or tax regulation and practice, save in each case in relation to taxes or stamp taxes which the Index Sponsor shall exclude for the purposes of this definition.

- 7.6 Upon the occurrence of a License Event, the Index Sponsor may either (i) review the composition of the index and make such adjustments as it deems necessary or (ii) terminate the Index.

Where:

A **"License Event"** shall be deemed to have occurred if any license or permission to use an index which is an Index Component (or sub-component of an Index Component) granted by a sponsor of such index is withdrawn, terminated or otherwise amended.

II. Part B - Index Component Adjustment Rules

The adjustment and other provisions set out in Appendix 1 shall be applicable to Index Components which are 'ETP' Index Component Types as detailed in Section 1 of Part A of the Index Rules.

The adjustment and other provisions set out in Appendix 2 shall be applicable to Index Components which are 'Custom Index' Index Component Types as detailed in Section 1 of Part A of the Index Rules.

III. Part C - General Index Rules

1. ROLES OF THE INDEX CALCULATION AGENT AND THE INDEX SPONSOR AND THE INDEX INVESTMENT ADVISOR WHERE APPLICABLE

1.1 The Index Sponsor

The Index Sponsor is responsible for devising the Index Rules, ensuring the Index level is published by the Index Calculation Agent in accordance with the Index Rules and making any required determinations. Whenever the Index Sponsor is required to act, it will do so in good faith and a commercially reasonable manner, however the Index Sponsor accepts no liability for errors or inaccuracies in the Index Rules or any determinations made in accordance therewith.

The Index Sponsor owns all intellectual property and other proprietary rights in these Index Rules, the Index and all associated materials, including the name of the Index, its composition and the calculation methodology of the Index in accordance with the Index Methodology (the "Index Materials"). No party to which Index Materials have been disclosed shall have any right to use the Index unless such party has been granted an express limited licence to use the Index Materials solely for the purposes of assessing relevant business needs.

1.2 The Index Calculation Agent

The Index Calculation Agent is responsible for the day to day calculation and publication of the Index. The Index Calculation Agent will act in good faith and will make all commercially reasonable efforts to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with the Index Rules. However the Index Calculation Agent accepts no liability for errors or inaccuracies in prices, calculations and the publication of any Index Components or sub-components thereof made by third parties and shall not be responsible for any inaccuracies or errors in the Index resulting therefrom. If the Index Calculation Agent becomes aware of any inaccuracies or errors in the Index as a result of errors or inaccuracies in the prices, calculation or publication of any Index Components or sub-components thereof or otherwise, it shall inform the Index Sponsor of the same. If, in accordance with Section 4 (*Corrections to the level of the Index*) of this Part C, the Index Sponsor instructs the Index Calculation Agent to publish a correction in respect of the Index, it shall do so as soon as practicable thereafter.

1.3 The Index Investment Advisor

Where an Index Investment Advisor has been appointed, it shall be responsible for selecting the Index Components in good faith and a commercially reasonable manner in accordance with the terms of the Index Investment Advisory Agreement. The Index Investment Advisor accepts no liability for inaccuracies or errors in such selections due to inaccuracies or errors in the calculation or publication of the Index Level, any Index Components or sub-components thereof.

2. SUPPLEMENTS, AMENDMENTS, MODIFICATIONS AND WITHDRAWAL OF THE INDEX RULES

The Index Sponsor, acting in good faith and a commercially reasonable manner, may supplement, amend in whole or in part, modify or withdraw these Index Rules at any time in accordance with its policies and procedures. Supplements, amendments, modifications and withdrawals may also lead to changes in the Index Rules and the way the Index is compiled or calculated or affect the Index in other ways. Any supplements, amendments or modifications to the Index Rules which are of a formal, minor or technical nature or are made to correct a manifest or proven error and do not conflict with the interests of any affected parties may be effected immediately and such supplements, amendments or modifications shall be made available to interested parties.

If the Index Sponsor deems that any supplement, amendment or modification to the Index Rules or withdrawal thereof may be in conflict with the interests of an affected party, the relevant supplement, amendment, modification or withdrawal shall not take effect until at least 15 calendar days have elapsed since its publication. The Index Sponsor accepts no liability for any losses resulting from supplementing, amending, modifying or withdrawing the Index Rules.

3. RULES FOR THE PERIODICAL ADJUSTMENT OF THE INDEX COMPOSITION

Where so specified in Section 6 (*Index Methodology*), the composition of the Index may be reviewed and adjusted periodically. Any adjustments made by the Index Sponsor or the Index Investment Advisor, where applicable, will be made in good faith and in a commercially reasonable manner and in accordance with the relevant Index Rules.

The Index Sponsor, and where applicable, the Index Investment Advisor, disclaim any liability for any modification or change to the composition of the Index or the Index Methodology at any time.

4. CORRECTIONS TO THE LEVEL OF THE INDEX

The calculation of the Index is based on the latest available market data relating to the Index Components (including but not limited to closing prices, levels, related dividends and corporate adjustments or other similar market data) as of the relevant Index Level Calculation Date. In the event any such market data changes subsequent to the calculation and publication of any Index Level, the Index Sponsor shall decide, in accordance with its policies and procedure, whether or not to require the Index Calculation Agent to take account of such changes in relation to previously published Index Levels or current Index Levels in order to maintain the stability and consistency of the Index, to the extent the relevant retrospective change is allowed by any applicable law or regulation.

5. DISCLAIMER IN RELATION TO THE INDEX

5.1 Accuracy of the Index

The Index Calculation Agent, the Index Sponsor and, where applicable, the Index Investment Advisor, will make all reasonable efforts to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with the relevant Index Rules. This information is furnished by third parties and is believed to be reliable, but the accuracy and completeness thereof has not been verified by any of the Index Sponsor, the Index Calculation Agent or, where applicable, the Index Investment Advisor.

5.2 Suspension and interruption in the publication of the Index

Although the Index Sponsor and the Index Calculation Agent shall act in good faith and a commercially reasonable manner in calculating, publishing or disseminating the Index (as applicable), they disclaim all liability for any suspension or interruption in the calculation, publication or dissemination of the Index that may occur at any time. Details of any such suspension or interruption in the publication of the Index will be displayed by the Index Calculation Agent on Bloomberg Screenpage BNPICAI Index and Reuters Ticker .BNPICAI, or any successor pages thereto, and on any other data provider as the Index Sponsor deems appropriate.

5.3 Index Level

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor, accept no liability in connection with the use of the Index Level at any given time or for any loss whatsoever, whether directly or indirectly related to the Index.

6. OTHER IMPORTANT INFORMATION

6.1 Transactions involving the Index Components

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor and their affiliates may from time to time engage in transactions involving any Index Component(s) (and/or sub-components thereof) for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value or level of such Index Component(s) (and/or sub-components thereof) and consequently upon the Index Level, and in engaging in such transactions none of the Index Sponsor, Index Calculation Agent or, where applicable, the Index Investment Advisor nor their affiliates shall be under any obligation to act in the interests of parties exposed to products referencing the Index.

6.2 Acting in other capacities and potential conflicts of interest

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor or any of their affiliates may from time to time act in multiple capacities with regard to the Index or any products referencing the Index, including, but not limited to, Index Calculation Agent, Index Investment Advisor or calculation agent thereof. The Index Sponsor has policies and procedures to identify, consider and manage such potential conflicts of interest.

The Index Sponsor, Index Calculation Agent and the Index Investment Advisor, where applicable, may also engage in trading activities (including hedging activities) relating to the Index Components for their proprietary accounts or for other accounts under their management. The Index Sponsor and its affiliates may also issue other derivative instruments in respect of the Index Components or act as underwriter in connection with future offerings of shares or as financial adviser to certain companies or companies whose shares or other securities are Index Components or in a commercial banking capacity for such companies

In respect of Index Component Types which are Fund Shares or ETPs, the Index Sponsor or one or more of its Affiliates may from time to time engage in business with the relevant Fund or ETP, as the case may be, or companies in which a Fund or ETP, as the case may be, invests, including among other

things, extending loans to, or making investments in, or providing advisory services to them, including merger and acquisition advisory services, engaging in activities that may include prime brokerage business, financing transactions or entry into derivative transactions. A Fund or ETP may pay a portion of its fees to the Index Sponsor or any of its Affiliates for the provision of such services.

6.3 Derivative instruments in respect of the Index Components

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor or any of their affiliates may issue, enter into, create, purchase, sell or distribute derivative instruments (whether securitized or otherwise) in respect of the Index or any Index Component(s) (and/or sub-components thereof) and the introduction of such products into the marketplace may affect the Index Level, due to hedging activities associated with such derivative instruments.

6.4 Market-Making for the Index Components

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor may, in certain cases, act as a market-maker or sponsor for any Index Component(s) (or sub-components thereof). By such market-making or sponsoring, the Index Sponsor, the Index Calculation Agent, or, where applicable, the Index Investment Advisor may, to a large extent, determine the price of such Index Component(s) (or sub-components thereof), and consequently influence the Index Level.

6.5 Obtaining of non-public information

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor or any of their affiliates may acquire non-public information with respect to any Index Component(s) (or sub-components thereof), and neither the Index Sponsor, Index Calculation Agent, nor the Index Investment Advisor where applicable, nor any of their affiliates undertakes to disclose any such information to any party exposed to products referencing the Index. In addition, one or more affiliates of the Index Sponsor, Index Calculation Agent or, where applicable, the Index Investment Advisor may publish research reports with respect to such Index Component(s) (or sub-components thereof). Research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with the objectives of the Index. Such activities could present certain conflicts of interest and could influence the value of the Index.

7. FORM OF DISCLAIMER TO BE USED ON TERM SHEETS AND ISSUANCE DOCUMENTATION FOR PRODUCTS LINKED TO THE INDEX

The following disclaimer wording should be used on term sheets and issuance documentation for products linked to the Index:

"None of the sponsor of the index (the "Index" and the "Index Sponsor"), the index calculation agent (where such party is not also the Index Sponsor, the "Index Calculation Agent") nor, where applicable, the Index Investment Advisor (the "Index Investment Advisor") guarantee that there will be no errors or omissions in computing or disseminating the Index.

The methodology of and rules governing the Index (the "Index Methodology") is based on certain assumptions, certain pricing models and calculation methods adopted by the Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor, and may have certain inherent limitations. Information prepared on the basis of different models, calculation methods or assumptions may yield different results. You

have no authority to use or reproduce the Index Methodology in any way, and neither BNP Paribas nor any of its affiliates shall be liable for any loss whatsoever, whether arising directly or indirectly from the use of the Index or Index Methodology or otherwise in connection therewith.

The Index Sponsor reserves the right to amend or adjust the Index Methodology from time to time in accordance with the rules governing the Index and accepts no liability for any such amendment or adjustment. Neither the Index Sponsor nor the Index Calculation Agent are under any obligation to continue the calculation, publication or dissemination of the Index and accept no liability for any suspension or interruption in the calculation thereof which is made in accordance with the rules governing the Index. None of the Index Sponsor, the Index Calculation Agent nor, where applicable, the Index Investment Advisor accept any liability in connection with the publication or use of the level of the Index at any given time.

The Index Methodology embeds certain costs in the strategy which cover amongst other things, friction, replication and repo costs in running the Index. The levels of such costs (if any) may vary over time in accordance with market conditions as determined by the Index Sponsor acting in a commercially reasonable manner.

BNP Paribas and/or its affiliates may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as market-maker, hedging counterparty, issuer of components of the Index, Index Sponsor and/or Index Calculation Agent. Such activities could result in potential conflicts of interest that could influence the price or value of a Product."

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IV. APPENDIX 1 - ADJUSTMENTS FOR INDEX COMPONENT TYPE "ETP"

The following provisions shall apply in respect of any Index Component in respect of which the Index Component Type is "ETP", any shares or units comprising such Index Component being the **"ETP Interest"**.

1. Adjustments

Following the declaration by the relevant etp or etp related party, as the case may be, of the terms of any potential adjustment event, the index sponsor will, in its sole and absolute discretion, determine whether such potential adjustment event has a diluting or concentrative effect on the theoretical value of the etp interests and, if so, will (i) make the corresponding adjustment, if any, to the index as the index sponsor in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant etp interest) and (ii) determine the effective date of that adjustment. the index sponsor may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such potential adjustment event made by an options exchange to options on the etp interest traded on that options exchange.

2. Determination of Extraordinary ETP Events or Additional Extraordinary ETP Events

The Index Sponsor will determine if an Extraordinary ETP Event or Additional Extraordinary ETP Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances results in more than one Extraordinary ETP Event and/or an Additional Extraordinary ETP Event potentially being triggered, the Index Sponsor may determine which of the Extraordinary ETP Event(s) or the Additional Extraordinary ETP Event have been triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETP Event or an Additional Extraordinary ETP Event, the Index Sponsor may have regard to the combined effect, from the Index Start Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

3. Consequences of an Extraordinary ETP Event or an Additional Extraordinary ETP Event

If the Index Sponsor determines that an Extraordinary ETP Event or an Additional Extraordinary ETP Event has occurred and in consultation with the Index Sponsor has determined is continuing, the Index Sponsor may require the Index Calculation Agent to adjust the Index in such manner as the Index Sponsor deems appropriate in accordance with Section 2 of Part A of the Index Rules. For such purposes, an Extraordinary ETP Event or an Additional Extraordinary ETP Event shall be considered to be "continuing" if it has not been remedied as determined by the Index Sponsor acting in good faith and in a commercially reasonable manner.

4. Consequences of non-Scheduled Trading Days and Disrupted Days

If any week day is a non-Scheduled Trading Day or is a Disrupted Day in respect of an ETP Interest, the provisions relating to the requirements to calculate and publish and/or adjust as set out in Sections 4 and 5 of Part A of the Index Rules shall apply in relation to the Index.

5. **Corrections**

If the price of the relevant ETP Interest published on a given day and used or to be used by the Index Sponsor to make any calculation or determination in respect of the Index is subsequently corrected and the correction is published by the relevant price source within the number of days equal to one Settlement Cycle from the original publication, the price to be used shall be the price of the relevant ETP Interest as so corrected.

6. **Definitions**

"Additional Extraordinary ETP Event" means, in respect of an ETP, that the notional size of the Hedging Party's holding of such ETP is greater than 15% of the assets under management of, or total investment in, the relevant ETP

"Affiliate" means in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity.

"Calculation Date" means each day which is an Exchange Business Day.

"Clearance System" means the applicable domestic clearance system customarily used for settling trades in the relevant ETP Interest.

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Dividend Event" means that with reference to the two financial years prior to the Index Start Date the ETP has implemented a material change to its practice with respect to the payment of dividends.

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"ETP" means (i) any exchange traded fund (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETP.

"ETP Documents" means the offering document of the relevant ETP in effect on the Index Start Date specifying, among other matters, the terms and conditions relating to such ETP Interests and, for the

avoidance of doubt, any other documents or agreements in respect of the ETP, as may be further described in any ETP Document.

"ETP Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETP, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETP, or (iii) in respect of any other traded product, any other interest specified as an ETP Interest in the applicable Final Terms.

"ETP Related Party" means, in respect of any ETP, any person who is appointed to provide services (howsoever described in any ETP Documents), directly or indirectly, in respect of such ETP, whether or not specified in the ETP Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in these Index Rules and in the case of an exchange traded note or exchange traded commodity, the relevant calculation agent.

"Exchange" means in relation to an ETP Interest, each exchange or quotation system designated as such for the relevant ETP by the Index Sponsor, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETP Interest has temporarily relocated (provided that the Index Sponsor has determined that there is comparable liquidity relative to such ETP Interest on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means, in respect of an ETP Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Index Sponsor) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETP Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETP Interest on any relevant Related Exchange.

"Extraordinary ETP Event" means, in respect of an ETP, the occurrence or continuance at any time on or after the Index Start Date of any of the following events as determined by the Index Sponsor in its sole and absolute discretion:

Global Events:

- (1) the ETP or any ETP Related Party (i) ceases trading and/or, in the case of an ETP Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any

bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

- (2) the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- (3) there exists any litigation against the ETP or an ETP Related Party which in the sole and absolute discretion of the Index Sponsor could materially affect the value of the ETP Interests or on the rights or remedies of any investor therein; or
- (4) an allegation of criminal or fraudulent activity is made in respect of the ETP, or any ETP Related Party, or any employee of any such entity, or the Index Sponsor reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETP, any ETP Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Index Sponsor, materially affect the value of the ETP Interests or the rights or remedies of any investor in such ETP Interests;

Change in ETP Related Parties/Key Persons Events:

- (5) (i) an ETP Related Party ceases to act in such capacity in relation to the ETP (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Index Sponsor; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Index Sponsor) cause, the failure of the ETP and/or any ETP Related Party to meet or maintain any obligation or undertaking under the ETP Documents which failure is reasonably likely to have an adverse impact on the value of the ETP Interests or on the rights or remedies of any investor therein;

Modification Events:

- (6) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETP (howsoever described, including the underlying type of assets in which the ETP invests), from those set out in the ETP Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- (7) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETP invests, (ii) the ETP purports to track, or (iii) the ETP accepts/provides for purposes of creation/redemption baskets;
- (8) a material modification, or any announcement regarding a potential future material modification, of the ETP (including but not limited to a material modification of the ETP Documents or to the ETP's liquidity terms) other than a modification or event which does not affect the ETP Interests or the or any portfolio of assets to which the ETP Interest relates (either alone or in common with other ETP Interests issued by the ETP);
- (9) the currency denomination of the ETP Interest is amended from that set out in the ETP Documents so that the Value per ETP Interest is no longer calculated in the same currency as it was as at the Index Start Date; or
- (10) if applicable, the ETP ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- (11) a material modification of the method of calculating the Value per ETP Interest;
- (12) any change in the periodicity of the calculation or the publication of the Value per ETP Interest;
- (13) any of the ETP, any ETP Related Parties or any other party acting on behalf of the ETP fails for any reason to calculate and publish the Value per ETP Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETP Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- (14) the assets under management of, or total investment in, the ETP falls below the Investment/AUM Level;
- (15) a Value per ETP Interest Trigger Event occurs;

- (16) failure by the ETP or any ETP Related Party to publish (i) the Value per ETP Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETP or any ETP Related Party, or (ii) where the relevant ETP Documents provide for the publication of an indicative Value per ETP Interest, such indicative Value per ETP Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or
- (17) (i) the Value per ETP Interest Trading Price Differential breaches the Value per ETP Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Index;

Tax/Legal/Accounting/Regulatory Events:

- (18) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedging Party in respect of the Index (a "**Tax Event**") and, subject as provided below, the Hedging Party has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedging Party shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or
- (19) (i) any relevant activities of or in relation to the ETP or the ETP Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETP by any governmental, legal or regulatory entity with authority over the ETP), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETP or the ETP Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETP is required by a competent authority to redeem any ETP Interests, (iv) the Hedging Party is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETP Interests held in connection with any hedging arrangements relating to the Index and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETP or any ETP Related Party that is reasonably likely to have an adverse impact on the value of the ETP Interests or other activities or undertakings of the ETP or on the rights or remedies of any investor therein, including any Hedging Party;

Hedging/Impracticality/Increased Costs Events:

- (20) in connection with any hedging activities in relation to the Index, as a result of any adoption of, or

any change in, any law, order, regulation, decree or notice, howsoever described, after the Index Start Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "Relevant Event") (i) it would become unlawful or impractical for the Hedging Party to hold (including, without limitation, circumstances requiring the Hedging Party to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETP Interests or that would subject a holder of the ETP Interests or the Hedging Party) to any loss) purchase or sell the relevant ETP Interests or any underlying assets of or related to the ETP or for the Hedging Party to maintain its hedging arrangements and, (ii) subject as provided below, the Hedging Party has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedging Party shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- (21) in connection with the hedging activities in relation to the Index, if the cost to the Hedging Party in relation to the Index and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedging Party would be subject to a material loss relating to the Index and the related hedging arrangements;
- (22) in connection with the hedging activities in relation to the Index, the Hedging Party is unable or it becomes impractical for the Hedging Party, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETP Interest asset price risk or any other relevant price risk, including but not limited to the Index Sponsor's obligations in respect of the Index or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETP Interest of the ETP; or
- (23) at any time on or after the Index Start Date, the Index Sponsor and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Index Start Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Index;

Miscellaneous Events:

- (24) intentionally deleted
- (25) the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETP Related Party or any parent company (howsoever described) of the ETP, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("Moody's"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business

thereof ("S&P"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETP Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);

- (26) the occurrence of a Loss of Stock Borrow;
- (27) if the relevant ETP Documents provide for the payment of dividends, the occurrence of a Dividend Event; or
- (28) the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETP Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Extraordinary ETP Event Effective Date" means, in respect of an Extraordinary ETP Event, the date on which such Extraordinary ETP Event occurs, or has occurred, as determined by the Index Sponsor.

"Hedging ETP Interests" means the number of ETP Interests that the Index Sponsor and/or any of its Affiliates deems necessary to hedge the equity or other price risk in respect of the Index.

"Investment/AUM Level" means EUR 50,000,000 or the equivalent in any other currency.

"Loss of Stock Borrow" means that the Index Sponsor and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETP Interest in an amount equal to the Hedging ETP Interests at a rate equal to or less than the Maximum Stock Loan Rate.

"Market Disruption Event" means, in relation to an ETP Interest the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Index Sponsor determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

"Maximum Stock Loan Rate" means, in respect of an ETP Interest, 5 %.

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETP Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETP Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETP with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETP, is the continuing entity and which does not result in a reclassification or change of all of such ETP Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETP Interests of an ETP that results in a transfer of or an irrevocable commitment to transfer all such ETP Interests (other than such ETP Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETP or its subsidiaries with or into another entity in which the ETP is the continuing entity and which does not result in a reclassification or change of all such ETP

Interests outstanding but results in the outstanding ETP Interests (other than ETP Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETP Interests immediately following such event. For the purposes of this definition only, **"Interests"** shall mean the applicable ETP Interests or the shares of any applicable ETP Related Party, as the context may require, and **"Entity"** shall mean the applicable ETP or any applicable ETP Related Party, as the context may require.

"Number of Value Publication Days" means 3 calendar days, being the maximum number of days after the due date for publication or reporting of the Value per ETP Interest after which the ETP Related Party or any entity fulfilling such role, howsoever described in the ETP Documents, or any other party acting on behalf of the ETP, may remedy any failure to publish or report the Value per ETP Interest before the Index Sponsor may determine that an Extraordinary ETP Event has occurred.

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Index Sponsor;
- (b) a repurchase or exercise of any call option by any ETP of relevant ETP Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Index Sponsor, a diluting or concentrative effect on the theoretical value of the relevant ETP Interests.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETP or ETP Related Party, as the case may be, as determined by the Index Sponsor.

"Related Exchange" means in relation to an ETP Interest, each exchange or quotation system specified as such for such ETP by reference to its Bloomberg Code as detailed in Section 1 of Part A of these Index Rules, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETP Interest has temporarily relocated (provided that the Index Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETP Interest on such temporary substitute exchange or quotation system as on the original Related Exchange) or, if not specified in Section 1 of Part A of these Index Rules, each exchange or quotation system where trading has a material effect (as determined by the Index Sponsor) on the overall market for futures or options contracts relating to such ETP Interest.

"Scheduled Closing Time" means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hour.

"Scheduled Trading Day" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

"Settlement Cycle" means in respect of an ETP Interest, the period of Clearance System Days following a trade in the ETP Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event

by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETP or an ETP Related Party, as determined by the Index Sponsor, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Index Sponsor deems relevant.

"Trading Disruption" means in relation to an ETP Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETP Interest or any underlying asset of the ETP on the Exchange; or (ii) in futures or options contracts relating to the ETP Interest or any underlying asset of the ETP on any relevant Related Exchange.

"Valuation Time" means in the case of an ETP and in relation to an ETP Interest the close of trading on the Exchange.

"Value per ETP Interest" means, with respect to the relevant ETP Interest(s) and the Scheduled Trading Day relating to such ETP Interests, the official closing price or value per ETP Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETP or an ETP Related Party, the relevant Exchange or publishing service (which may include the website of an ETP), all as determined by the Index Sponsor;

"Value per ETP Interest Trading Price Barrier" means 5 % or greater;

"Value per ETP Interest Trading Price Differential" means the percentage by which the Value per ETP Interest differs from the actual trading price of the ETP Interest as of the time the Value per ETP Interest is calculated;

"Value per ETP Interest Trigger Event" means, in respect of any ETP Interest(s), that (i) the Value per ETP Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETP has violated any leverage restriction that is applicable to, or affecting, such ETP or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETP Documents or (z) any other contractual restriction binding on or affecting the ETP or any of its assets;

"Value Trigger Percentage" means 50 %;

"Value Trigger Period" means 3 consecutive calendar months.

V. APPENDIX 2 - ADJUSTMENTS FOR INDEX COMPONENT TYPE "CUSTOM INDEX"

The following provisions shall apply in respect of any Index Component in respect of which the Index Component Type specified in Part A is "Custom Index", which Index Component, for the purposes of this Appendix, shall be referred to as the **"Reference Index"**.

1. Successor Reference Index

If a Reference Index is (i) not calculated and announced by the Reference Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Index Sponsor, or (ii) replaced by a successor index using, in the determination of the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of that Reference Index, then in each case that index (the **"Successor Reference Index"**) will be deemed to be the Reference Index.

2. Adjustments

If on any week day there is a Reference Index Adjustment Event, then the Index Sponsor shall determine if such Reference Index Adjustment Event has a material effect on the Index and, if so, may require the Index Calculation Agent to adjust the Index in accordance with Section 2 of Part A of this Rule Book.

3. Consequences of Non-Publication of an Index Component Level

If any Business Day is not a Reference Index Level Publication Day for a Reference Index, the provisions relating to the requirements to calculate and publish and/or adjust as set out in Section 4 of Part A of the Index Rules shall apply in relation to that Reference Index.

4. Corrections

In the event that any price or level published by the Reference Index Sponsor and which is utilised for any calculation or determination made in respect of the Index is subsequently corrected and the correction is published by the Reference Index Sponsor within three Reference Index Level Publication Days after the original publication, the Index Sponsor will, to the extent necessary, require the Index Calculation Agent to adjust the Index to account for such correction.

5. Definitions

"Hedging Disruption Event" means any event which the Index Sponsor determines materially restricts it from (i) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of asset(s) or any transaction(s) to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing obligations in relation to the relevant Reference Indices; (ii) freely realizing, recovering, receiving, repatriating, remitting or transferring the proceeds in any currency of hedge positions relating to the Reference Index between accounts within the jurisdiction of the hedge positions (the **"Affected Jurisdiction"**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction; iii) determining a rate at which any currency relevant to the relevant Reference Indices or hedge positions relating to the Index can be exchanged or obtaining a rate for such exchange which rate is at least as favorable as the rate for domestic institutions located in the local jurisdiction; or iv) converting any currency relevant to the Reference Indices or the hedge positions relating to the Index into another currency relevant to the such hedge positions through customary legal channels, including, but not exclusively, where one currency rate cannot be directly

converted into another; or (v) obtaining a rate or a commercially reasonable rate (as determined by the Calculation Agent), in each case, at which the proceeds of a hedge position can be exchanged.

"Reference Index Adjustment Event" means any of a Reference Index Modification, a Reference Index Cancellation or a Reference Index Disruption.

"Reference Index Cancellation" means in respect of a Reference Index, a Reference Index Sponsor permanently cancels the Reference Index and no Successor Reference Index exists or it has become impossible or impracticable, for any reason whatsoever and in the sole determination of the Index Sponsor, for the Reference Index to be an Index Component of the Index.

"Reference Index Disruption" means in respect of a Reference Index, the Reference Index Sponsor fails to calculate and announce a relevant Reference Index on a Reference Index Level Publication Day.

"Reference Index Level Publication Day" means each Business Day on which the level of the relevant Reference Index is scheduled to be published by the relevant Reference Index Sponsor.

"Reference Index Modification" means in respect of a Reference Index, a Reference Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Reference Index or in any other way materially modifies that Reference Index (other than a modification prescribed in that formula or method to maintain that Reference Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events).

"Reference Index Sponsor" means, in respect of any Reference Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Reference Index and (b) announces (directly or through an agent) the level of the relevant Reference Index on each Reference Index Level Publication Day.