

**SG Global Value Beta Index**  
(EUR – Net Total Return)

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## **Index Rules**

Version as of April 25, 2014

# SG Global Value Beta Index (EUR – Net Total Return)

## 1. Index Rules Summary:

### 1.1. Index Description

The SG Global Value Beta Index (the “**Index**”, displayed on Bloomberg page SGVBNT <Index> and on Reuters page .SGVBNT), with an Index Launch Date on November 20, 2013 (the “**Index Launch Date**”), aims to track the performance of a hypothetical global basket of listed shares which exhibit a positive value bias. The value bias is defined using a set of five fundamental value metrics: 1) Book to Price Factor; 2) Earnings to Price Factor; 3) One Year forward Earnings to Price Factor; 4) EBITDA to Enterprise Value Factor; 5) Free Cash Flow to Price Factor.

The Index is calculated and published by Solactive A.G. (the “**Index Calculation Agent**”) and is sponsored by Société Générale (the “**Index Sponsor**”). Solactive A.G. is not affiliated with Société Générale.

#### Main Characteristics

<b>Bloomberg ticker:</b>	SGVBNT <Index>
<b>Reuters RIC</b>	.SGVBNT
<b>Type of Return:</b>	Net Total Return
<b>Calculation Frequency:</b>	Real time
<b>Publication Time:</b>	Real time
<b>Index Launch Date:</b>	20 November 2013
<b>Currency:</b>	EUR
<b>Fees and Costs:</b>	As specified under the “Index Fees and Costs” section below
<b>Asset Class:</b>	Equity
<b>Index Components:</b>	Equity Instruments; Market Data

### 1.2. Index Strategy

The Index’s systematic methodology aims to replicate a value-based selection strategy as describe under Section 3 herein. Value strategies are some of the best known stock selection strategies with origins dating back the work of Ben Graham and David Dodd in their 1934 book “Security Analysis.” The value premium essentially consists of buying undervalued stocks relative to the index using fundamental valuation metrics, with the most commonly cited being low versus high price to book value, similar to the description by Eugene Fama and Kenneth French in their paper “Common Risk Factors in the Returns on Stocks and Bonds” (Journal of Financial Economics, Vol. 33, No. 1 (1993), pp. 3-56).

The Index mechanism defines value using the equal-weighted quintile score of a set of five traditional value factors (each as defined in Section 3.2), which have all been associated with positive returns in academic literature:

- 1) Book to Price Factor
- 2) Earnings to Price Factor
- 3) One Year forward Earnings to Price Factor
- 4) EBITDA to Enterprise Value Factor
- 5) Free Cash Flow to Price Factor

The Index seeks to replicate the performance of a hypothetical portfolio which is systematically composed by selecting the stocks that exhibit the highest of such quintile scores within their industry sector.

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### **1.3. Mechanism**

#### ***Index Composition***

The Index universe (the “**Index Universe**”) includes Shares which are listed on the regulated market of an Eligible Country that comply with the “**Market Capitalisation Criteria**” and with the “**Average Daily Trading Volume Criteria**” (each as defined in Section 3.1). Each stock comprising the Index Universe is deemed to be an Eligible Component.

#### ***Rules-Based Index Review and Rebalancing***

The Index composition is reviewed and rebalanced on a quarterly basis as set forth in the Index Selection Rules as defined in Section 4.1.

The Index is equally weighted.

### **1.4. Index Fees and Costs**

The Index is calculated net of the following fees and costs:

<b>Index Advisory Fees:</b>	None applicable
<b>Replication Fees:</b>	None applicable
<b>Transaction Costs:</b>	None applicable
<b>Replication Costs:</b>	None applicable

### **1.5. Information available on the SGI website**

The Index is computed and maintained pursuant to the index calculation guideline (the “**Index Calculation Guideline**”) for the application of the Laspeyres formula to total return indices, as provided and published by the Index Calculation Agent on its website <http://www.solactive.com> under the “Documents and Downloads” link under the “Indexing” tab.

For the avoidance of doubt, in the case where a term would be defined in both the Index Calculation Guideline and these Index Rules, the definition that would prevail would be the one in these Index Rules.

The Index levels (including performance and volatility of the Index), further Index data and important disclaimers relating to the Index are available on the SGI website at the following address:  
<https://www.sgiindex.com/indexdetail/bbg/SGVBNTR/>

#### **IMPORTANT:**

**The Index seeks to replicate the performance of a hypothetical global basket of listed shares; however, the Index does not actually invest in or hold any Index Components or any other shares or instruments. An investor in any product linked to the performance of the Index (if any) will have no rights whatsoever to any Index Components or any other instruments underlying the Index. The Index is a statistical measure providing a representation of the value of a hypothetical portfolio of the Index Components based on the index strategy; it is not an investment fund, pool or any other investment vehicle.**

**The investment strategy tracked by the Index is not guaranteed to be successful.**

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**2. Index Rules:**

**2.1. Methodology applicable**

The Index is computed and maintained pursuant to the Index Calculation Guideline for the application of the Laspeyres formula to total return indices, as provided and published by the Index Calculation Agent on its website <http://www.solactive.com> under the “Documents and Downloads” link under the “Indexing” tab, with the Laspeyres formula inputs Divisor ( $D_t$ ) and Foreign Exchange Rate ( $f_{i,t}$ ) as defined herein..

Because the Index is calculated total return, the Index is adjusted for cash distributions. For the avoidance of doubt, all other corporate events leading to index adjustments under the Laspeyres formula, each as specified in the Index Calculation Guideline, will also be applicable.

If an Index Extraordinary Event is to occur, the provisions of Section 6 of these rules will apply instead of the “Mergers & Acquisitions” section of the Index Calculation Guideline.

**2.2. Terms and definitions relating to the Index:**

“**Americas Developed**” means the region constituted of Eligible Countries which are situated in North or South America. As of the Index Launch Date, this means the following countries: Canada, United States;

“**Asia Pacific ex Japan Developed**” means the region constituted of Eligible Countries which are situated in Asia ex Japan. As of the Index Launch Date, this means the following countries: Australia, Hong Kong, New Zealand and Singapore;

“**Closing Valuation Time**” means 10:30 PM Central European Time as of the Index Launch Date and as may be modified by the Index Calculation Agent after instruction from the Index Sponsor;

“**Company**” means in respect of a Share, the issuer of such Share;

“**Current Share Price**” means, in respect of a Share and a Review Date, the official price of such Share on the relevant Exchange as of the Closing Valuation Time on such Review Date;

“**Divisor ( $D_t$ )**” means, with respect to the index calculations under the Laspeyres Formula in the Index Calculation Guideline, 104,979.9838 as of the Index Launch Date, subject to further upward or downward adjustments, if any, as set forth under index adjustments for Laspeyres Formula in the Index Calculation Guideline;

“**Eligible Component**” means a Share which belongs to the Index Universe;

“**Eligibility Criteria**” means the criteria set out in section 3.1;

“**Eligible Country**” means, as of the Index Launch Date, the following list: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States. Such list may be updated from time to time by the Index Calculation Agent;

“**Equity Instrument**” means a Share;

“**Europe Developed**” means the region constituted of Eligible Countries which are situated in Europe. As of the Index Launch Date, this means the following countries: Austria, Belgium, Denmark, Finland,

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France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom;

**“Exchange”** means, for each Eligible Country, a regulated exchange of such Eligible Country, or any substitute exchange or quotation system to which trading in the relevant Equity Instrument has temporarily or permanently relocated (provided that the Index Calculation Agent, after instruction from the Index Sponsor, has determined that there is comparable liquidity relative to such Equity Instrument on such substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means in respect of any Equity Instrument, any Scheduled Trading Day on which the Exchange for such Equity Instrument is open for trading during its respective regular trading session, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

**“Foreign Exchange Rate ( $f_{i,t}$ )”** means, with respect to each Index Component denominated in a currency other than the Index Currency and with respect to the index calculations under the Laspeyres Formula in the Index Calculation Guideline, the mid spot conversion rate from the relevant price of the Index Component to the Index Currency as published by Reuters (or any substitute page thereto) as of the scheduled time for the publication of such rate on the relevant source page. The Foreign Exchange Rate used for the computation of each Index Closing Level is the Reuters/WMCO closing spot rate determined as at 4:00 pm London time.

**“Index”** means the SG Global Value Beta Index (EUR – Net Total Return) as described below (Bloomberg: SGVBNTR <Index>, Reuters: .SGVBNTR);

**“Index Base Date”** means the Index Launch Date;

**“Index Calculation Agent”** means Solactive A.G. acting as calculation agent for the Index;

**“Index Calculation Date”** means any weekday with the exclusion of January 1st, Good Friday, Easter Monday, Labour Day (May 1st), Christmas Day and Boxing Day;

**“Index Closing Level”** means in respect of any Index Calculation Date, the level of the Index calculated and published by the Index Calculation Agent on such date at the Scheduled Closing Time, pursuant to the Index Calculation Guideline;

**“Index Component”** means (i) an Equity Instrument included in the Index, and (ii) Market Data.. The Equity Instruments are determined pursuant to the section 3;

**“Index Currency”** means the Euro (“EUR”);

**“Index Level”** means, in respect of any Index Calculation Date(t) and any Valuation Time (v), the level of the Index calculated and published by the Index Calculation Agent as at such Valuation Time (v) on such Index Calculation Date(t), pursuant to the Index Calculation Guideline;

**“Index Selection Rules”** means the rules according to which Shares are selected for inclusion to the Index on each Review Implementation Date, as determined in section 4.1;

**“Index Sponsor”** means Societe Generale (“SG”);

**“Index Universe”** means the eligible universe of Equity Instruments, as determined in section 3.1;

**“Market Capitalisation Adjustment Benchmark”** means the Solactive Developed Top 100 Index (Bloomberg: SOLDTOP <Index>, Reuters: .SOLDTOP);

**“Market Data”** means a published price, a foreign exchange rate or any other data specified in the Index Calculation Guideline for the application of the Laspeyres formula to net total return indices,

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used by the Index Calculation Agent for the purposes of calculating the Index Level (pursuant to Section 2 herein);

**“Opening Valuation Time”** means (09:00 AM Central European Time as of the Index Launch Date and as may be modified by the Index Calculation Agent after instruction from the Index Sponsor);

**“Region”** means each of the following: Americas Developed, Asia Pacific ex Japan Developed, Europe Developed, and Japan.

**“Related Exchange(s)”** means in respect of each Equity Instrument, each exchange or quotation system where trading has a material effect on the overall market for futures and options contracts relating to such Equity Instrument, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Equity Instrument, has temporarily relocated;

**“Review Date”** or **“RD”** means, in respect of a Review Implementation Date, the 3<sup>rd</sup> Index Calculation Date preceding such Review Implementation Date;

**“Review Implementation Date”** means the 7<sup>th</sup> Index Calculation Date of January, April, July and October;

**“Scheduled Closing Time”** means in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means, in respect of any Equity Instrument, any day on which the relevant Exchanges are scheduled to be open for trading during their regular trading sessions;

**“Share”** means each ordinary share or common stock issued by a Company;

**“Valuation Time”** means with respect to the Index, any time between the Opening Valuation Time and the Closing Valuation Time;

**“Value Score”** means a value score which is determined in accordance with section 3.2.

### **3. Review of the Equity Instruments**

#### **3.1. Index Universe**

To be eligible for inclusion in the Index on a Review Implementation Date, a Share must be listed on a regulated Exchange of an Eligible Country and comply with the Market Capitalisation Criteria and the Average Daily Trading Volume Criteria (both as defined below, and together the **“Eligibility Criteria”**) as of the Review Date immediately preceding such Review Implementation Date:

##### **Market Capitalisation Criteria**

In order to comply with the Market Capitalisation Criteria as of a Review Date, a Share must comply with the following:

- If such Share is not included in the Index as of such Review Date, it must:
  - o comply with the Full Market Capitalisation Criteria, as defined hereinafter;
  - o have a free-float adjusted market capitalisation higher than or equal to USD 1,000,000,000 (or its equivalent in another currency) (adjusted by the performance of

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the Market Capitalisation Adjustment Benchmark between the Index Base Date and such Review Date)

- if such Share is already included in the Index as of such Review Date, it must: have a free-float adjusted market capitalisation higher than or equal to USD 750,000,000 (or its equivalent in another currency) (adjusted by the performance of the Market Capitalisation Adjustment Benchmark between the Index Base Date and such Review Date)

Some Shares may have restrictions on foreign ownership limits (each such restriction a “Foreign Ownership Limit”). Foreign Ownership Limits may be imposed by local governments on specific industries or on all public securities. Foreign Ownership Limits may also be imposed on foreign investors by individual companies, as part of their internal bylaws. If a Share is subject to a Foreign Ownership Limit, the free-float adjusted market capitalisation of such Share may be adjusted to take into account shares which are tradable for a hypothetical investor who is located outside of the country where the issuer of such Share is located or where such Share is listed. Such free-float adjusted market capitalisation may therefore take into account both Foreign Ownership Limits and current foreign holdings.

For each Share, the “**Full Market Capitalisation Criteria**” is deemed complied with, if and only if the full market capitalisation of the Company issuing such Share belongs to the Top 86% Regional Universe of any Region.

In respect of each Region, the “**Top 86% Regional Universe**” is obtained by:

- ranking companies whose shares listed on an Exchange of an Eligible Country within that Region in descending order of their full market capitalisation;
- adding up the full market capitalisation of such companies (starting with the one that has the highest full market capitalisation, then moving in descending order to the next one, and so forth) until the resulting figure exceeds 86% of the aggregate full market capitalisation of all whose shares listed on an Exchange of an Eligible Country within that Region. Each company whose full market capitalisation has been added in such a way is deemed a member of the Top 86% Regional Universe.

### **Average Daily Trading Volume Criteria**

In order to comply with the Average Daily Trading Volume Criteria as of a Review Date, a Share must have a 6-month average daily trading volume higher than or equal to USD 3,000,000 (or its equivalent in another currency)

If, in the resulting universe, several Shares which comply with the Eligibility Criteria are issued by the same company, then only the Shares which correspond to the greatest free float adjusted market capitalisation will be eligible for inclusion.

The Index Universe is constituted of the resulting Shares.

### **3.2. Value Score**

A “**Value Score**” is computed for each Share which belongs to the Index Universe as of each Review Date.

Each Value Score is computed as the arithmetic average of five (5) value factors (the “**Value Factors**” as defined below), or if any such Value Factor cannot be computed (i.e. when the data is not available from the “**Relevant Data Source**”, as defined below for each Value Factor), the arithmetic average of the Value Factors which are available as of such Review Date. A Value Score is only calculated if sufficient data is available for at least two Value Factors.

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Relevant Data Sources are provided by FactSet Research Systems Inc., and Thomson Reuters' I/B/E/S ("Institutional Brokers' Estimate System") service. FactSet Research Systems Inc. and Thomson Reuters are not affiliated with Societe Generale.

The Value Factors are defined as the following:

- (i) The "**Book to Price Factor**"
- (ii) The "**Earnings to Price Factor**"
- (iii) The "**One Year forward Earnings to Price Factor**"
- (iv) The "**EBITDA to Enterprise Value Factor**"
- (v) The "**Free Cash Flow to Price Factor**"

Neither the EBITDA to Enterprise Value Factor, nor the Free Cash Flow to Price Factor is taken into account for Shares issued by financial companies (which are companies within the "Financials" sector, as defined by Factset in its industries classification).

### **3.2.1. The Book to Price Factor**

The Book to Price Factor is calculated for each Share which belongs to the Index Universe as the difference between (i) the Company Book to Price Ratio for such Share and (ii) the median Company Book to Price Ratio of all Companies which belong to same sector as such Company (the "**Median Book to Price Ratio**") , i.e. for each Share:

$$\text{Book to Price Factor} = \text{Company Book to Price Ratio} - \text{Median Book to Price Ratio}$$

Where the "**Company Book to Price Ratio**" is the last reported book value per issued Shares divided by the Current Share Price as of the Review Date.

**Relevant Data Source:** Factset Fundamentals and Factset industries (as provided by Factset).

### **3.2.2. The Earnings to Price Factor**

The Earnings to Price Factor is calculated for each Share which belongs to the Index Universe as the difference between (i) the Company Earnings to Price Ratio for such Share and (ii) the median Company Earnings to Price Ratio of all Companies which belong to same sector as such Company (the "**Median Earnings to Price Ratio**") , i.e. for each Share:

$$\text{Earnings to Price Factor} = \text{Company Earnings to Price Ratio} - \text{Median Earnings to Price Ratio}$$

Where the "**Company Earnings to Price Ratio**" is the 12-month trailing earnings per issued Share divided by the Current Share Price as of the Review Date.

**Relevant Data Source:** Factset Fundamentals and Factset industries (as provided by Factset).

### **3.2.3. The One Year forward Earnings to Price Factor**

The One Year Forward Earnings to Price Factor is calculated for each Share which belongs to the Index Universe as the difference between (i) the Company One Year Forward Earnings to Price Ratio for such Share and (ii) the median Company One Year Forward Earnings to Price Ratio of all Companies which belong to same sector as such Company (the "**Median One Year Forward Earnings to Price Ratio**") , i.e. for each Share:

$$\text{One Year forward Earnings to Price Factor} = \text{Company One Year Forward Earnings to Price Ratio} - \text{Median One Year Forward Earnings to Price Ratio}$$



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Where the “**Company One Year Forward Earnings to Price Ratio**” is the average one-year forward consensus EPS estimate divided by the Current Share Price as of the Review Date.

**Relevant Data Source:** I/B/E/S estimates for EPS, Current Share Price and Factset industries (as provided by Factset).

### **3.2.4. The EBITDA to Enterprise Value Factor**

The EBITDA to Enterprise Value Factor is calculated for each Share which belongs to the Index Universe as the difference between (i) the Company EBITDA to Enterprise Value Ratio for such Share and (ii) the median Company EBITDA to Enterprise Value Ratio of all Companies which belong to same sector as such Company (the “**Median EBITDA to Enterprise Value Ratio**”), i.e. for each Share:

$$\text{EBITDA to Enterprise Value Factor} = \text{Company EBITDA to Enterprise Value Ratio} - \text{Median EBITDA to Enterprise Value Ratio}$$

Where the “**Company EBITDA to Enterprise Value Ratio**” is the 12-month trailing EBITDA divided by the current enterprise value as of the Review Date, where the enterprise value of a Company is defined as the sum of (i) its current market capitalisation, (ii) the aggregate value of its preferred shares, (iii) its total debt, and (iv) its accumulated minority interest; such sum being decreased by the cash and equivalents of that Company:

$$\text{Enterprise value} = \text{current market capitalisation} + \text{preferred stocks} + \text{total debt} + \text{accumulated minority interest} - \text{cash and equivalents}$$

**Relevant Data Source:** Factset Fundamentals and Factset industries (as provided by Factset).

### **3.2.5. The Free Cash Flow to Price Factor**

The Free Cash Flow to Price Factor is calculated for each Share which belongs to the Index Universe as the difference between (i) the Company Free Cash Flow to Price Ratio for such Share and (ii) the median Company Free Cash Flow to Price Ratio of all Companies which belong to same sector as such Company (the “**Median Free Cash Flow to Price Ratio**”), i.e. for each Share:

$$\text{Free Cash Flow to Price Factor} = \text{Company Free Cash Flow to Price Ratio} - \text{Median Free Cash Flow to Price Ratio}$$

Where the “**Company Free Cash Flow to Price Ratio**” is the 12-month trailing free cash flow per issued Shares divided by the Current Share Price as of the Review Date, where the free cash flow of a Company is computed as (i) its net cash from operating activities, minus (ii) its fixed capital expenditures.

**Relevant Data Source:** Factset Fundamentals and Factset industries (as provided by Factset).

## **4.1. Quarterly Rebalancing**

For each Review Date, the Index Sponsor will ascertain the new composition of the Index in accordance with the procedure below, which will be implemented by the Index Calculation Agent on the following Review Implementation Date (such event being referred to as a “**Quarterly Rebalancing**”).

As of the Review Implementation Date which immediately follows such Review Date, the Shares which enter in the composition of the Index are selected in accordance with the following rules (the “**Index Selection Rules**”):

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- Shares are filtered in order to only include Shares which belong to the Index Universe. Such Shares are defined as the Eligible Components;
- Eligible Components for which a Value Score could not be computed are excluded;
- The Eligible Components are ranked in accordance with the respective Value Scores;
- For Eligible Components with identical Value Scores, the Index Sponsor shall give priority to the companies with the higher Book to Price factor.
- each Eligible Component which is included in the Index as of the Review Date will be maintained in the Index on the following Review Implementation Date if and only if it is one of the top 300 Eligible Components which exhibit the highest Value Scores. This aims to reduce turnover of Shares within the Index;
- the highest ranked Eligible Components which are not included in the Index as of the Review Date (i.e. the Eligible Components which are not included in the Index as of the Review Date and which exhibit the highest Value Scores as of such Review Date) will be added to the list of Shares in the Index until such list includes 200 Eligible Components.

The Index is then rebalanced on the following Review Implementation Date. The quantity of each Share as of the Review Implementation Date is determined using the Current Share Price as of the Review Date immediately preceding such Review Implementation Date so that the Index would be equally weighted if it were to be rebalanced at the close of such Review Date.

The determination of the respective weights and quantities for each Share is further described in section 4.2.

The Index Closing Level as of the Index Launch Date will be 1,000, and the Shares will have been selected in accordance with the Index Selection Rules.

### **4.2. Determination of target weight and quantities**

For each Review Date, each Share is given a weight (the “**Target Weight**”) that is equal to 0.5%.

The Index is price-weighted with a weighting factor to achieve an equal-weighting.

All Shares are equal-weighted on a quarterly basis. The weight of each Share constituting the Index is determined as the Target Weight, as of each Review Date.

For each Share, the Target Weight is then used to determine a target quantity of Shares as of the Review Implementation Date following such Review Date. Such target quantity is determined by the Index Calculation Agent by multiplying the Index Level as of the Review Date by the Target Weight, and then dividing the resulting amount by the Current Share Price of such Share (converted into the Index Currency).

The resulting target quantity is then multiplied by the ratio of the Index divisor as of the Review Implementation Date to the Index divisor as of the Review Date.

### **4.3. Publication of the Index Level:**

The Index Level is published on Reuters and Bloomberg and on the website of the Index Calculation Agent and of the Index Sponsor continuous throughout each Index Calculation Date.

### **4.4. Rounding Rules:**

The rounding policy is defined as follows:

- Index Level : 2 decimal places

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**5. Disruption Events:**

**5.1 Index Disruption Remedies**

If an Index Disruption Event occurs on a Index Calculation Date (a “**Disrupted Day**”), then the Index Calculation Agent, after instruction from the Index Sponsor, shall not calculate the Index Level on such Disrupted Day in which case the next Index Calculation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Index Component as determined by the Index Calculation Agent, after instruction from the Index Sponsor, unless each of the five Index Calculation Dates immediately following the initial Disrupted Day is also a Disrupted Day for any Index Component, in which case:

- (i) the fifth Index Calculation Date following the initial Disrupted Day, and each Index Calculation Date that is a Disrupted Day thereafter, shall be deemed to be a Index Calculation Date (each, a “**Disrupted Calculation Date**”), notwithstanding the existence of an Index Disruption Event on such date and only for the purpose of determining the Index Level; and
- (ii) on that fifth Index Calculation Date and on each Disrupted Calculation Date thereafter, the Index Calculation Agent shall calculate the Index Level based on the following levels and prices:
  - (a) if the Index Disruption Event is an Equity Disruption Event only for one or more Index Components (such Index Component(s) the “**Affected Index Component(s)**”):
    - (x) the level or price of the Affected Index Component(s) using the level or price of such Affected Index Component(s) last in effect prior to the occurrence of the relevant Equity Disruption Event; and
    - (y) the level of each of the Market Data on the relevant date(s) of determination as if no Index Disruption Event existed;
  - (b) if the Index Disruption Event is a Market Data Disruption Event in relation to one or more of the Market Data only (such market data the “**Affected Market Data**”):
    - (x) the level or price of each Index Component on the relevant date(s) of determination as if no Index Disruption Event existed; and
    - (y) the level of the Affected Market Data determined in good faith, after instruction from the Index Sponsor, using relevant market indicators on the relevant date(s) of determination; or
  - (c) If the Index Disruption Event is a Market Data Disruption Event in relation to one or more of the Market Data (such market data, the “**Affected Market Data**”) and an Equity Disruption Event in relation to one or more of the Index Component(s) (the “**Affected Index Component(s)**”):
    - (x) the level or price of the Affected Index Component(s) using the level or price of such Affected Index Component last in effect prior to the occurrence of the relevant Equity Disruption Event; and

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- (y) the level of the Affected Market Data determined in good faith, after instruction from the Index Sponsor, using relevant market indicators on the relevant date(s) of determination.

Notwithstanding the foregoing, on any day from the first Disrupted Calculation Date but no later than the twentieth Index Calculation Date following the initial Disrupted Day, if an Index Disruption Event has been continuing on each such day, the Index Sponsor will permanently cancel the Index on such twentieth Index Calculation Date, unless the Index Sponsor decides that one of the following remedies (i) and (ii) to (each a “**Index Disruption Remedy**”) constitutes a suitable remedy for such Index Disruption Event:

- (i) adjust any relevant terms of the Index Rules in a manner that preserves the economic characteristics of the Index; or
- (ii) continue the determination of the Index Level pursuant to section 5.1.ii for another maximum period of twenty Index Calculation Dates (a “**Disruption Period Extension**”), provided that after such period, the Index Sponsor shall decide again between the Index Disruption Remedies, including a renewal of the Disruption Period Extension, subject to a maximum of three such extensions, including the first one.

For the purposes of this Section:

“**Index Disruption Event**” means (i) in respect of an Equity Instrument that is an Index Component, the occurrence or existence of an Equity Disruption Event, or (ii) in respect of Market Data, the occurrence or existence of a Market Data Disruption Event, which in any case the Index Calculation Agent, after instruction from the Index Sponsor, determines is material.

## 5.2 Equity Disruption Event

“**Equity Disruption Event**” means, in respect of an Index Component that is an Equity Instrument, if the Equity Instrument is a Share, the occurrence or existence of a Share Disruption Event.

Where,

“**Share Disruption Event**” means (a) a Trading Disruption; (b) an Exchange Disruption which, in either case, the Index Calculation Agent, after instruction from the Index Sponsor, determines is material or (c) an Early Closure

For the purpose hereof:

“**Exchange Disruption**” means in respect of any Share, any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, such Share on the relevant Exchange or futures or options contract relating to such Share on the relevant Related Exchange;

“**Trading Disruption**” means, in respect of any Share, any suspension of or limitation imposed on trading by the Exchange or Related Exchange for such Share or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise;

“**Early Closure**” means in respect of any Share, the closure on any Exchange Business Day of the relevant Exchange for such Share or any relevant Related Exchange for futures or options contracts

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relating to such Share prior to its Scheduled Closing Time, unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Scheduled Closing Time on such Exchange Business Day;

**5.3 Market Data Disruption Event**

“**Market Data Disruption Event**” means the non-publication of the level of any Market Data used by the Index Calculation Agent for the purposes of calculating the Index;

**6. Index Extraordinary Event:**

**6.1 Extraordinary Event Remedies**

If an Index Extraordinary Event occurs in respect of one or more Index Component(s) on a Scheduled Calculation Date (an “**Extraordinary Event Day**”), then the Index Calculation Agent, after instruction from the Index Sponsor, may suspend the calculation of the Index Level on such Extraordinary Event Day, in which case the next Calculation Date shall be the first succeeding Scheduled Calculation Date on which the Index Extraordinary Event has been remedied as follows; provided that as soon as possible but no later than the twentieth Scheduled Calculation Date following the initial Extraordinary Event Day, the Index Sponsor shall permanently cancel the Index on such twentieth Scheduled Calculation Date, unless the Index Sponsor decides that one of the following remedies (a) and (b) (each, an “**Extraordinary Event Remedy**”) constitutes a suitable remedy for such Index Extraordinary Event:

- (i) adjust any relevant terms of the Index Rules (including, without limitation, a reduction of the weight of or a full removal of the relevant Index Component(s)) in a manner that preserves the economic characteristics of the Index; or
- (ii) replace the relevant Index Component with a new component of similar characteristics.

For the purposes of this Section:

“**Index Extraordinary Event**” means an Equity Extraordinary Event or a Market Data Extraordinary Event, which in any case the Index Calculation Agent, after instruction from the Index Sponsor, determines is material.

**6.2 Equity Extraordinary Event**

“**Equity Extraordinary Event**” means, in respect of an Equity Instrument, the occurrence or existence of a Share Extraordinary Event.

Where,

“**Share Extraordinary Event**” means (a) a Liquidation; (b) a Delisting or (c) a Nationalization

- A. “**Liquidation**” means that the company related to this Share is subject to a voluntary or involuntary liquidation, dissolution or winding-up, nationalization, expropriation or is otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.
- B. “**Delisting**” means that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than the events described under Share Disruption Event) and

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is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union).

- C. **“Nationalization”** means that all the Shares or all or substantially all of the assets of a company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**6.3 Market Data Extraordinary Event**

**“Market Data Extraordinary Event”** means, in respect of Market Data, the occurrence of any of the following events:

- A. a **“Change of Market Data Publisher”** means that the Market Data is not calculated and/or announced by the publisher of such Market Data in the same conditions as those prevailing as of the Index Launch Date.
- B. a **“Change of Market Data”** means that the Market Data is replaced by a successor market data or index that is not acceptable to the Index Calculation Agent, after instruction from the Index Sponsor.
- C. a **“Modification to Market Data”** means that the publisher of a Market Data announces that it will make a material change in the formula for or the method of calculating such Market Data or in any other way materially modifies that Market Data (other than a modification prescribed in that formula or method to maintain that Market Data).
- D. a **“Cancellation of Market Data”** means that the publisher of a Market Data announces that it will permanently cancel such Market Data.