

**BNP Paribas Next 11 Core 8 TR USD index**

**Bloomberg Code : BNPINETR Index**

**Reuters Code : .BNPINETR**

## **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 dated 1 May 2015,  
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## I. Part A - Index Specific Rules

### 1. DESCRIPTION OF THE INDEX

BNP Paribas Next 11 Core 8 TR USD index (the "**Index**") is a US dollar ("USD", the "**Index Currency**") denominated Index. The objective of the Index is to track the price movements of shares of the largest companies headquartered and with shares listed on the local Exchange in any of the 8 countries which comprise the Next 11 Core 8 Country Universe, as defined in Section 5 (*Additional Definitions*). The "Next 11" are the 11 countries identified by Goldman Sachs as having a high potential of being among the world's largest economies in the 21<sup>st</sup> century.

The Index was established based on historical backtesting on November 8<sup>th</sup>, 2007 (the "**Index Start Date**") with an initial level of 100 index points ("**Initial Index Level**").

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

The Index is a "**Total Return**" index. As a consequence, the level of the index reflects a value assuming reinvestment of dividends and distributions paid by underlying index components.

The Index is part of the Thematics family of BNP Paribas indices.

The Index is calculated, maintained, rebalanced and published by Solactive AG (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. No Index Investment Advisor has been appointed.

#### Index Cost

Certain costs are deducted from the Index Level, which cover, amongst other things, replication and repo costs in running the Index that may vary over time in line with prevailing market conditions. The level of such costs will be determined by the Index Sponsor, acting in a commercially reasonable manner and will be 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 respective weighting in the Index ("**Index Weightings**") and currency denomination set out in the table below:

| n | Index Components           | Index Component Type | ISIN         | BBG       | Index Weights | Local Currency | Exchange |
|---|----------------------------|----------------------|--------------|-----------|---------------|----------------|----------|
| 1 | POSCO                      | Equity               | KR7005490008 | 005490 KS | 4.17%         | KRW            | KSE      |
| 2 | SAMSUNG ELECTRONICS CO LTD | Equity               | KR7005930003 | 005930 KS | 4.17%         | KRW            | KSE      |
| 3 | HYUNDAI HEAVY INDUSTRIES   | Equity               | KR7009540006 | 009540 KS | 4.17%         | KRW            | KSE      |

|    |                              |        |              |             |       |     |      |
|----|------------------------------|--------|--------------|-------------|-------|-----|------|
| 4  | KOREA ELECTRIC POWER CORP    | Equity | KR7015760002 | 015760 KS   | 4.17% | KRW | KSE  |
| 5  | SHINHAN FINANCIAL GROUP LTD  | Equity | KR7055550008 | 055550 KS   | 4.17% | KRW | KSE  |
| 6  | KOOKMIN BANK                 | Equity | KR7060000007 | 060000 KS   | 4.17% | KRW | KSE  |
| 7  | AMERICA MOVIL SAB DE C-SER L | Equity | MXP001691213 | AMXL MM     | 3.87% | MXN | BMV  |
| 8  | CEMEX SAB-CPO                | Equity | MXP225611567 | CEMEXCP MM  | 3.87% | MXN | BMV  |
| 9  | GRUPO MEXICO SAB DE CV-SER B | Equity | MXP370841019 | GMEXICOB MM | 3.87% | MXN | BMV  |
| 10 | CARSO GLOBAL TELECOM-A1      | Equity | MXP740451010 | TELECOA1 MM | 3.87% | MXN | BMV  |
| 11 | GRUPO TELEVISA SA-SER CPO    | Equity | MXP4987V1378 | TLEVICPO MM | 3.87% | MXN | BMV  |
| 12 | WALMART DE MEXICO-SER V      | Equity | MXP810081010 | WALMEXV MM  | 3.87% | MXN | BMV  |
| 13 | BANK CENTRAL ASIA PT         | Equity | ID1000109507 | BBCA IJ     | 2.94% | IDR | ISE  |
| 14 | BANK RAKYAT INDONESIA        | Equity | ID1000096001 | BBRI IJ     | 2.94% | IDR | ISE  |
| 15 | BANK MANDIRI                 | Equity | ID1000095003 | BMRI IJ     | 2.94% | IDR | ISE  |
| 16 | BUMI RESOURCES TBK PT        | Equity | ID1000068703 | BUMI IJ     | 2.94% | IDR | ISE  |
| 17 | AKBANK T.A.S.                | Equity | TRAAKBNK91N6 | AKBNK TI    | 2.66% | TRY | BIST |
| 18 | TURKIYE GARANTI BANKASI      | Equity | TRAGARAN91N1 | GARAN TI    | 2.66% | TRY | BIST |
| 19 | TURKIYE IS BANKASI-C         | Equity | TRAISTR91N2  | ISCTR TI    | 2.66% | TRY | BIST |
| 20 | TURKCELL ILETISIM HIZMET AS  | Equity | TRATCELL91M1 | TCELL TI    | 2.66% | TRY | BIST |
| 21 | EREGLI DEMIR VE CELIK FABRIK | Equity | TRAEREGL91G3 | EREGL TI    | 2.66% | TRY | BIST |
| 22 | MCB BANK LIMITED             | Equity | PK0055601014 | MCB PA      | 1.88% | PKR | KASE |
| 23 | NATIONAL BANK OF PAKISTAN    | Equity | PK0078001010 | NBP PA      | 1.88% | PKR | KASE |
| 24 | OIL & GAS DEVELOPMENT CO LTD | Equity | PK0080201012 | OGDC PA     | 1.88% | PKR | KASE |
| 25 | PAKISTAN PETROLEUM LTD       | Equity | PK0081801018 | PPL PA      | 1.88% | PKR | KASE |
| 26 | CORP FOR FINANCING AND PROMO | Equity | VN000A0MLWK6 | FPT VN      | 1.83% | VND | HOSE |
| 27 | SACOMBANK                    | Equity | VN000A0MLWB5 | STB VN      | 1.83% | VND | HOSE |
| 28 | PETROVIETNAM DRILLING AND WE | Equity | VN000A0MLV56 | PVD VN      | 1.83% | VND | HOSE |
| 29 | VIETNAM DAIRY                | Equity | VN000A0J4CE2 | VNM VN      | 1.83% | VND | HOSE |

|    | PRODUCT CO                   |        |              |         |       |     |     |
|----|------------------------------|--------|--------------|---------|-------|-----|-----|
| 30 | AYALA CORPORATION            | Equity | PHY0486V1154 | AC PM   | 1.61% | PHP | PSE |
| 31 | GLOBE TELECOM INC            | Equity | PHY272571498 | GLO PM  | 1.61% | PHP | PSE |
| 32 | SM INVESTMENTS CORP          | Equity | PHY806761029 | SM PM   | 1.61% | PHP | PSE |
| 33 | PHILIPPINE LONG DISTANCE TEL | Equity | PH7182521093 | TEL PM  | 1.61% | PHP | PSE |
| 34 | COMMERCIAL INTERNATIONAL BAN | Equity | EGS60121C018 | COMI EY | 1.37% | EGP | EGX |
| 35 | EFG-HERMES HOLDING SAE       | Equity | EGS69101C011 | HRHO EY | 1.37% | EGP | EGX |
| 36 | ORASCOM CONSTRUCTION INDS    | Equity | EGS65901C018 | OCIC EY | 1.37% | EGP | EGX |
| 37 | ORASCOM TELECOM HOLDING      | Equity | EGS74081C018 | ORTE EY | 1.37% | EGP | EGX |

Following the Index Start Date, the composition of the Index will be adjusted by the Index Calculation Agent on a semi-annual basis in accordance with the provisions of Section 6 (*Index Methodology*).

## 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.

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 BNPINETR Index and Reuters Ticker .BNPINETR, 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, 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:

**“ADV”** means the average daily volume of traded shares on the relevant Exchange on each Scheduled Trading Day, observed over the preceding 3 calendar months.

**“BIST”** means the Borsa Istanbul, or any successor thereto.

**“BMV”** means the Bolsa Mexicana de Valores, or any successor thereto.

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

**“Currency Restrictions”** shall be deemed to be place if it would be impossible or impractical (a) to convert any Local Currency in which any relevant shares are denominated into the Index Currency, or exchange or repatriate any funds in the Local Currency or the Index Currency outside of the country in which the relevant shares are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Index Calculation Agent to determine a rate or (in the determination of the Index Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Index Currency in order to calculate the Index Level.

**“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.

**“EGP”** means Egyptian Pounds, being the lawful currency of the Arab Republic of Egypt.

**“EGX”** means the Egyptian Exchange, or any successor thereto.

**“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.

**“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.

**"HOSE"** means the Ho Chi Minh City Stock Exchange, or any successor thereto.

**"IDR"** means Indonesian Rupiah, being the lawful currency of the Republic of Indonesia.

**"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 Component Selection Date"** means the 1<sup>st</sup> Scheduled Trading Day of May and November in each year.

**"Index Reweighting Date"** means the 6<sup>th</sup> Scheduled Trading Day of May and November in each year.

**"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.

**"ISE"** means the Indonesia Stock Exchange, or any successor thereto.

**"Jurisdiction Restrictions"** shall be deemed to be in place if it is impracticable, illegal or impossible for the Hedging Party to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in any relevant shares or any options or futures contracts in relation to the relevant shares.

**"KASE"** means the Karachi Stock Exchange, or any successor thereto.

**"KRW"** means Korean Won, being the lawful currency of the Republic of Korea.

**"KSE"** means the Korean Stock Exchange.

**"Lower Liquidity Threshold"** means USD2,000,000 per day.

**"Market Capitalization Threshold"** means USD3,000,000,000 or the equivalent in the relevant Local Currency.

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



“**MXN**” means Mexican Pesos, being the lawful currency of the United States of Mexico.

“**Next 11 Core 8 Country Universe**” means each of the Arab Republic of Egypt, the Republic of Indonesia, the Republic of Korea, the United Mexican States, the Islamic Republic of Pakistan, the Republic of the Philippines, the Republic of Turkey and the Socialist Republic of Vietnam.

“**PHP**” means Philippine Pesos, being the lawful currency of the Republic of the Philippines.

“**PKR**” means Pakistani Rupees, being the lawful currency of the Islamic Republic of Pakistan.

“**PSE**” means the Philippine Stock Exchange, or any successor thereto.

“**Publication Date**” means the first Business Day following each Index Level Calculation Date.

“**Sanctions**” means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), the U.S. Department of State, the United Nations Security Council, and/or the European Union or other relevant sanctions authority.

“**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.

“**TRY**” means Turkish Lira, being the lawful currency of the Republic of Turkey.

“**Upper Liquidity Threshold**” means USD10,000,000 per day

“**VND**” means Vietnamese Dong, being the lawful currency of the Socialist Republic of Vietnam.

“**World Economic Outlook Report**” means the survey by the International Monetary Fund, (the “**IMF**”) published twice a year, presenting the IMF staff economists’ analyses of global economic developments during the near and medium term and in respect of an Index Composition Selection Date, means the World Economic Outlook Report current on such day.

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 Composition of the Index**

6.1.1 Selection of Eligible Countries within the Next 11 Core 8 Country Universe:

On each Index Component Selection Date, the Index Calculation Agent shall determine which countries within the Next-11 Core-8 Country Universe meet the following criteria:

- No Currency Restrictions are in place;
- No Jurisdiction Restrictions are in place;
- There exists an Exchange which operates regular trading hours during each Scheduled Trading Day which are not subject to change without notice and which is subject to regulation by the local financial authority or regulator, howsoever known;
- No Sanctions have been imposed on the country.

Each country meeting the above criteria shall be deemed an "Eligible Country".

6.1.2 **Selection of Index Components and Eligible Shares:**

(i) A maximum of 6 Index Components shall be selected from each Eligible Country;

(ii) if, on Index Component Selection Date  $t$ , the list of Eligible Countries is unchanged from the previous Index Component Selection Date, the Index Calculation Agent shall assess the current Index Components. If the market capitalisation of the issuer of each current Index Component for an Eligible Country is greater than or equal to the Market Capitalization Threshold and the ADV of its shares is greater than or equal to the Upper Liquidity Threshold, the Index Component will be retained;

(iii) if the market capitalization of the issuer or the ADV of any current Index Component has fallen below either the Market Capitalization Threshold or the Upper Liquidity Threshold, such Index Component shall be removed from the Index. The Index Calculation Agent shall identify other shares which are eligible for inclusion in the Index (each an "**Eligible Share**"), in accordance with the criteria described in (i) above and ranked from highest to lowest market capitalisation;

(iv) if actions described in 6.1.2 (ii) and (iii) would not result in there being 6 Index Components in respect of an Eligible Country, the Upper Liquidity Threshold shall be disapplied and shares whose ADV is greater than or equal to the Lower Liquidity Threshold shall be also be considered as Eligible Shares, but an Index Weight Cap shall be applied as follows.

- (a) where the ADV is greater than or equal to 2,000,000 and less than but not equal to 4,000,000 – 1%;
- (b) where the ADV is greater than or equal to 4,000,000 and less than but not equal to 7,000,000 – 2%; and
- (c) where the ADV is greater than or equal to 7,000,000 and less than but not equal to 10,000,000 – 3%.

(v) Following the inclusion of any Eligible Share in the Index, such Eligible Share shall be deemed to be an Index Component.

### 6.1.3 Determination of Index Weightings:

#### 6.1.3.1 Determination of exposure for each Eligible Country:

The percentage of the Index to be exposed to each Eligible Country is determined by the Index Calculation Agent on the Index Composition Selection Date in accordance with the following formula:

Exposure to Eligible Country =  $\frac{2}{3} * [\text{Projected Size of Eligible Country's Economy} / \text{sum of the Projected Sizes of the Economies of all Eligible Countries}] + \frac{1}{3} * [\text{Eligible Country's Projected Growth} / \text{sum of Projected Growth of all Eligible Countries}]$ .

where:

**“Projected Size of the Eligible Country’s Economy”** means the Projected Gross Domestic Product (**“GDP”**) for the preceding calendar year for each Eligible Country, which is expressed in US Dollars, and is obtained by the Index Calculation Agent from the World Economic Outlook Report; and

**“Projected Economic Growth”** mean is the projected growth rate expressed as a percentage of GDP for the Eligible Country for the current calendar year, if the Index Composition Selection Date is in May or the Projected GDP for the following calendar year, if the Index Composition Selection Date is in November, in each case as obtained by the Index Calculation Agent from the World Economic Outlook Report.

#### 6.1.3.2 Determination of Index Weights for Index Components:

After the exposure of the Index to each Eligible Country has been determined, the Index Weight for each Index Component shall be determined in accordance with the following criteria:

- (i) The Index Weight shall not exceed 5% in respect of any Index Component;

- (ii) if 6 Index Components are selected in respect of an Eligible Country, each Index Component shall be weighted equally within the percentage exposure for the Eligible Country;
- (iii) if less than 6 Index Components are selected in respect of an Eligible Country, each Index Component shall be weighted equally within the percentage exposure for the Eligible Country, subject to any applicable Index Weight Cap; and
- (iv) if, after the provisions of Section 6.1.3.2(i) to (iii) are applied, the aggregate Index Weights of the Index Components for an Eligible Country are less than the percentage exposure determined for that Eligible Country, the shortfall in Index Weights shall be applied on an equal basis to the Eligible Countries comprised in the Index for which 6 Index Components have been selected.

## 6.2 Calculation of the Index Level

6.2.1 Defined terms used in the calculation of the Index shall bear the following meanings:

$k$  is a sequential number corresponding to the number of Index Composition Selection Dates which have elapsed from, and including, the Index Start Date (each a “**Recomposition**”, where  $k=0$  corresponds to the initial Index Composition,  $k=1$  to the first Index Composition Selection Date, etc

$(k,i)$  is Index Component  $i$  in Recomposition  $k$

$j \in J_{k,i}$  is the number corresponding to the  $j^{\text{th}}$  dividend of Index Component  $i$  ( $k,i$ )

$t_0$  is the Index Start Date

$t_k$  is Index Reweighting Date  $k$

$t_{k,i,j}$  is the date on which  $j^{\text{th}}$  dividend of Index Component ( $k,i$ ) is distributed

$\alpha_{k,i}$  is the re-investment percentage for dividends of Index Component ( $k,i$ ) (as appearing in the table in the Annex hereto)

$d_{k,i,j}$  is the value of gross dividend  $j$  received for Index Component ( $k,i$ )

$S_{k,i}(t)$  is the daily official closing level of Index Component ( $k,i$ ), as published by the relevant Exchange on Index Level Calculation Date  $t$

$T_{k,i}(t)$  is the Total Return Spot of Index Component ( $k,i$ ) on Index Level Calculation Date  $t$ , calculated by the Index Calculation Agent in accordance with Section 6.2.2, below

$C_{k,i}(t)$  is the Composite Total Return Spot of Index Component ( $k,i$ ) on Index Level Calculation Date  $t$ , calculated by the Index Calculation Agent in accordance with Section 6.2.3, below

$n_{k,i}(t)$  means the number of Composite Total Return Spot levels for Index Component (k,i) on

Index Level Calculation Date t where  $t_k \leq t < t_{k+1}$   $n_{k,i}(t) = \frac{w_{k,i}(t) \times I(t_k)}{C_{k,i}(t_k)}$

$I(t)$  : Index Level on Index Level Calculation Date t

$X_{k,i}(t)$  : FX spot from Local Currency of Index Component (k,i) to the Index Currency

$t - x_{bd}$  : refers to the  $x^{\text{th}}$  Scheduled Trading Day preceding date t

$W_{k,i}(t)$  means the weight of each Index Component(k,i), determined in accordance with the provisions of Section 6.1.3.2 (*Determination of Index Weights for Index Components*)

### 6.2.2 Calculation of the Total Return Spot of an Index Component:

The total return of each Index Component shall be calculated by the Index Calculation Agent in accordance with the following formula:

For  $k \in K$  and  $i \in I_k$  :

$$\begin{cases} T_{k,i}(t_0) = S_{k,i}(t_0) \\ T_{k,i}(t) = T_{k,i}(t-1bd) \cdot \frac{S_{k,i}(t) + \sum_{j \in J_{k,i}} 1_{t=t_{k,i,j}} \alpha_{k,i} d_{k,i,j}}{S_{k,i}(t-1bd)} \end{cases}$$

### 6.2.3 Calculation of the Composite Total Return Spot of an Index Component:

The composite total return spot in respect of each Index Component shall be calculated by the Index Calculation Agent in accordance with the following formula:

For  $k \in K$  and  $i \in I_k$  :

$$\begin{cases} C_{k,i}(t_0) = 1 \\ C_{k,i}(t+1bd) = C_{k,i}(t) \cdot \left[ \frac{T_{k,i}(t+1bd) \cdot X_{k,i}(t+1bd)}{T_{k,i}(t) \cdot X_{k,i}(t)} \right] \end{cases}$$

For Index Components which were issued after the Index Start Date, the Composite Total Return Spot of such Index Component to be used with effect from the first Index Composition Selection Date following the initial public offering of the Index Component shall be 1.

### 6.2.3 Recomposition of the Index

Following each Recomposition k, the Index shall be comprised of the Index Components  $I_k$ , determined in accordance with Section 6.1.2 (*Selection of Index Components and Eligible Shares*) above:

$$I_k = (I_{k-1} - I_k^{out}) \cup I_k^{in}$$

“ $I_{k-1}$ ” means each Index Component which has been retained within the Index from Recomposition k-1

“ $I_k^{out}$ ” means each Index Component which has been removed from the Index at Recomposition k; and

“ $I_k^{in}$ ” means each Eligible Share which has been added to the Index at Recomposition k

6.2.4 On each Index Level Calculation Date, the Index Level is calculated by the Index Calculation Agent in accordance with the following formula:

$$\begin{cases} I(t_0) = 100 \\ I(t) = \sum_{i \in I_k} n_{k,i}(t) \times C_{k,i}(t) \end{cases}$$

## 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) 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 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 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 'Equity' 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 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 BNPINETR

Index and Reuters Ticker .BNPINETR, 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:

*"The methodology of and rules governing the index (the "Index Methodology" and the "Index") are the exclusive property of BNP Paribas. None of the sponsor of the Index (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 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 its affiliates may enter into derivative transactions or issue financial instruments (together, the "Products") linked to the Index. The Products are not in any way sponsored, endorsed, sold or promoted by the sponsor of any index component (or part thereof) which may comprise the Index (each a "Reference Index") that is not affiliated with BNP Paribas (each such sponsor, a "Reference Index Sponsor"). The Reference Index Sponsors make no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Reference Index and/or the levels at which the relevant Reference Index stands at any particular time on any particular date or otherwise. No Reference Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the relevant Reference Index and the relevant Reference Index Sponsor is under no obligation to advise any person of any error therein. None of the Reference Index Sponsors makes any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Products. BNP Paribas and its affiliates have no rights against or recourse to any Reference Index Sponsor should any Reference Index not be published or for any errors in the calculation thereof or on any other basis whatsoever in relation to any Reference Index, its production, or the level or constituents thereof. BNP Paribas and its affiliates shall have no liability to any party for any act or failure to act by any Reference Index Sponsor in connection with the calculation, adjustment or maintenance of the relevant Reference Index and have no affiliation with or control over any Reference Index or the relevant Reference Index Sponsor or the computation, composition or dissemination of any Reference Index. Although the Index Calculation Agent will obtain information concerning each Reference Index from publicly available sources that it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by BNP Paribas or any of its affiliates nor the Index Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Reference Index.*

*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 "EQUITY"

The following provisions shall apply in respect of any Index Component in respect of which the Index Component Type specified in Part A is "Equity", the shares or equities comprising such Index Component being the **"Reference Shares"**.

##### 1. **Adjustments**

Following the declaration by a Reference Share Issuer of the terms of any Reference Share Potential Adjustment Event, the Index Sponsor may determine whether such Reference Share Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Shares and, if so, may adjust the Index in accordance with the provisions of Section 2 of Part A of this Rule Book.

##### 2. **Adjustments regarding European Currencies**

In respect of Reference Shares originally quoted, listed and/or dealt as of the Index Start Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the EC Treaty, if such Reference Shares are at any time after the Index Start Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified, the principal market on which those Reference Shares are traded, then the Index Sponsor will require the Index Calculation Agent to adjust the Index in such manner as the Index Sponsor deems appropriate to preserve the economic terms thereof. The Index Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Index Sponsor. Adjustments made under this provision will not affect the currency denomination of the Index as a whole.

##### 3. **Consequences of Extraordinary Events**

If the Index Sponsor determines that an Extraordinary Event in respect of any Reference Share has occurred or is continuing the Index Sponsor may, in accordance with the provisions of Section 2 of Part A of this Rule Book, adjust the Index as it determines appropriate.

##### 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 a Reference Share, 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 Rules shall apply in relation to the Index.

##### 5. **Corrections**

In the event that any price or level published on an Exchange and which is utilized for any calculation or determination made in respect of the Index is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Index Sponsor will, to the extent necessary, instruct the Index Calculation Agent to adjust the Index to account for such correction.

##### 6. **Definitions**

**"Additional Disruption Event"** means any of the events set forth in paragraphs (a) and (b) below:

- (a) **"Change in Law"** means, in respect of a Reference Share, that, on or after the Index Start Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), 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 authority), the Index Sponsor determines in good faith that it has become illegal to hold, acquire or dispose of Reference Shares or an investor would incur a materially increased cost in so doing (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (b) **"Insolvency Filing"** means, in respect of a Reference Share, that the Reference Share Issuer 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 organization or the jurisdiction of its head or home office, or it consents to 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 it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Reference Share Issuer shall not be deemed an Insolvency Filing; and
- (c) **"Hedging Disruption"** means, in respect of a Reference Share, 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 Shares; ii) freely realizing, recovering, receiving, repatriating, remitting or transferring the proceeds of hedge positions relating to the Reference Shares 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 Shares or hedge positions relating to the Index can be exchanged or obtaining a rate for such exchange which rate is at least as favourable as the rate for domestic institutions located in the local jurisdiction; or iv) converting any currency relevant to the Reference Shares 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 Index Sponsor), in each case at which the proceeds of a hedge position can be exchanged.

**"Clearance System"** means, in respect of a Reference Share, the principal domestic clearance system customarily used for settling trades in the relevant Reference Share, as determined by the Index Sponsor.

**"Clearance System Business Day"** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

**"Delisting"** means that the Exchange announces that pursuant to the rules of such Exchange, the Reference Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any



reason (other than a Merger Event or Tender Offer) and are 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).

**"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.

**"EM Currency Exchange Rate Disruption Event"** means any currency exchange rate relevant to a Reference Share or relevant hedge positions relating to the Reference Share splits into dual or multiple exchange rates.

**"EM Force Majeure Event"** means the occurrence of any event in a jurisdiction relating to hedge positions beyond the control of the Index Sponsor which makes it materially more difficult for the Index Sponsor to fulfill its obligations in respect of the relevant Reference Shares or hedge positions connected to the Index.

**"EM Tax Disruption Event"** means an increase which the Index Sponsor determines material in the amount of tax, duty, expense or fee (other than brokerage commissions) to perform obligations in respect of a Reference Share or hedge positions connected to the Index, including where the determination of a rate at which any currency relevant to a Reference Share or hedge positions connected to the Index can be exchanged, or such rate itself, is subject to material charges or deductions.

**"Early Closure"** means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or 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.

**"EC Treaty"** means the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997), as further amended from time to time.

**"Exchange"** means, in respect of a Reference Share, each exchange or quotation system specified as such for such Reference Share by reference to its Bloomberg Reference as detailed Section 1 of in 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 the Reference Share has temporarily relocated (provided that the Index Sponsor has determined that there is comparable liquidity relative to such Reference Share on such temporary substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its 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 Reference Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Share on any relevant Related Exchange.

**"Extraordinary Dividend"** means any dividend or portion thereof characterised as an Extraordinary Dividend by the Index Sponsor.

**"Extraordinary Event"** means a Merger Event, Tender Offer, Nationalization, Insolvency, Delisting or any Additional Disruption Event.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Issuer, (A) all the Reference Shares of that Reference Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Reference Shares of that Reference Share Issuer become legally prohibited from transferring them.

**"Market Disruption Event"** means in respect of a Reference Share, 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.

**"Merger Event"** means, in respect of any Reference Shares, any (i) reclassification or change of such Reference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Reference Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Reference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Reference Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Reference Shares of the Reference Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Reference Shares (other than such Reference Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Reference Share Issuer or its subsidiaries with or into another entity in which the Reference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Reference Shares outstanding but results in the outstanding Reference Shares (other than Reference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Reference Shares immediately following such event (a **"Reverse Merger"**).

**"Nationalization"** means that all the Reference Shares or all or substantially all the assets of a Reference Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Reference Share EM Risk Event"** means the occurrence or existence of an EM Currency Exchange Rate Disruption Event, an EM Tax Disruption Event or an EM Force Majeure Event.

**"Reference Share Issuer"** means, in respect of a Reference Share, the issuer of the relevant Reference Shares.

**"Reference Share Potential Adjustment Event"** means, in respect of a Reference Share, any of the

following:

- (a) a subdivision, consolidation or reclassification of relevant Reference Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Reference Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Shares of (A) such Reference Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Share Issuer equally or proportionately with such payments to holders of such Reference Shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Index Sponsor;
- (c) an Extraordinary Dividend;
- (d) a call by the Reference Share Issuer in respect of relevant Reference Shares that are not fully paid;
- (e) a repurchase by the Reference Share Issuer or any of its subsidiaries of relevant Reference Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the Reference Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Reference Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Index Sponsor, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares

**"Related Exchange"** means, in respect of a Reference Share, each exchange or quotation system specified as such for such Reference Share by reference to its Bloomberg Reference as detailed Section 1 of in 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 Reference Share has temporarily relocated (provided that the Index Sponsor has determined that there is comparable liquidity relative to the futures or options contracts relating to such Reference Share on such temporary substitute exchange or quotation system as on the original Related Exchange) or, if not specified by reference to the Bloomberg Reference 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 Reference Shares.

**"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 hours.

**"Scheduled Trading Day"** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions in respect of all current Index Components and all Reference Shares selected to be Index Components for the next six months.

**"Settlement Cycle"** means, in respect of a Reference Share, the period of Clearance System Business Days following a trade in such Reference Shares on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**"Settlement Disruption Event"** means, in respect of a Reference Share, an event as a result of which the relevant Clearance System cannot clear the transfer of such Reference Share.

**"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 10% and less than 100% of the outstanding voting Reference Shares of the Reference Share Issuer, 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 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 Related Exchange or otherwise (i) relating to the Reference Share on the Exchange, or (ii) in futures or options contracts relating to the Reference Share on any relevant Related Exchange.

**"Valuation Time"** means unless otherwise specified in Part A of these Index Rules, the Scheduled Closing Time on the relevant Exchange on the relevant Index Level Calculation Date in relation to each Reference Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## Annex - Dividend Withholding Tax Rates

| <b>Country</b> | <b>Code</b> | <b>Net Dividend</b> |
|----------------|-------------|---------------------|
| Egypt          | EG          | 90.00%              |
| Indonesia      | ID          | 80.00%              |
| Mexico         | MX          | 90.00%              |
| Pakistan       | PK          | 90.00%              |
| Philippines    | PH          | 70.00%              |
| South Korea    | KR          | 78.00%              |
| Turkey         | TR          | 85.00%              |
| Vietnam        | VN          | 100.00%             |