

GUIDELINE FOR EXTRAORDINARY CORPORATE ACTIONS

Version 1.0

March 3th, 2016

This document is intended to serve as a framework for the standard treatment of extraordinary corporate actions (ECAs) for Indices owned by Solactive AG.

The binding document for the Index adjustment due to an extraordinary event is the corresponding rulebook. If the extraordinary event is not outlined in the Index guideline, the Index owner respectively Index Committee decides to adjust the Index according to the Methodology laid out in this document or in an appropriate way on a best effort basis.

The present document will be reviewed regularly and updated in line with any changes identified as necessary through the review process.



Content

1.	Definition.....	3
2.	Type of Events	3
3.	Timing of the Index Adjustment.....	3
4.	Ad-hoc Situations	4
5.	Standard Treatment of Mergers & Acquisitions	4
6.	Standard Treatment of Spin-offs.....	5
7.	Listing Change	5
8.	Bankruptcy / Insolvency / Liquidation	6
9.	Guru Indices	6
10.	Additional Comments / Frequent Problems	6
	DISCLAIMER.....	7



1. Definition

Solactive AG defines extraordinary corporate actions as corporate actions that lead to an extraordinary rebalancing of Indices and/or affect the number of Index components, e.g. mergers and acquisitions, spin off, bankruptcy, insolvency, liquidation, nationalization.

2. Type of Events

The following cases are currently tracked by Solactive AG within the ECA process:

- 1) Merger or Acquisition of an Index component with respectively by another Index component.
- 2) Merger or Acquisition of an Index component with respectively by a non-component.
- 3) Spin-off (demerger) by an Index component.

3. Timing of the Index Adjustment

An adjustment will be applied to the Index when

- a) the extraordinary event leads to a delisting of the Index constituent,
- b) the acquiring company initiates a squeeze-out procedure for the remaining outstanding shares of the target company, or
- c) the results of the tender offer are announced, the offer is successful and the free float of the target company is below 15 %.

The adjustment will be applied to the Index after close of business of the last trading day of the affected Index constituent.

The index adjustment will be announced with a notice period of at least two business day, i.e. the index adjustment will become effective on the opening on the third business day following the announcement (= the effective date) at the earliest.



4. Ad-hoc Situations

Ad-hoc situations are defined as circumstances, when either Solactive receives information about the effectiveness of a transaction after the last trading day of the target security and / or the target security has been suspended from trading with immediate effect and will not resume to trade until its delisting and / or has been delisted from stock exchange with immediate effect.

In case of ad-hoc situations, the Index adjustment will also be applied with a notice period of two business days, i.e. the index adjustment will become effective on the opening on the third business day following the announcement (= the effective date).

5. Standard Treatment of Mergers & Acquisitions

In case an Index component is subject to merger or acquisition, the acquired entity will be removed from the Index on the effective date as announced by Solactive. The Index is subject to further adjustments in accordance with the following cases.

1. Merger or Acquisition of an Index component with respectively by another Index component

- **CASH TERMS:** The weight of the target company based on its last close price will be distributed pro rata across the remaining Index constituents.
- **STOCK TERMS:** The shares of the acquiring / surviving company will be increased according to the stock terms.
- **CASH AND STOCK TERMS:** The cash portion will be reinvested pro rata across the remaining Index constituents. The shares of the acquiring / surviving company will be increased according to the stock terms.

2. Merger or Acquisition of an Index component with respectively by a non-component

- **CASH TERMS:** The weight of the target company based on its last close price will be distributed pro rata across the remaining Index components.
- **STOCK TERMS:** The weight of the target company based on its last close price will be distributed pro rata across the remaining Index components.
- **CASH AND STOCK TERMS:** The weight of the target company based on its last close price will be distributed pro rata across the remaining Index components.

6. Standard Treatment of Spin-offs

If an index constituent (i.e. the parent company) distributes part of its business into a further company (i.e. the spin-off company), the spin-off company will be added to the Index according to the transaction terms on the effective date.

Calculation: Shares Spin-off Company = Shares Parent Company x Spin-off Terms

The parent company will remain in the Index with unchanged calculation parameters. The spin-off company will remain in the Index until further notice respectively the next ordinary rebalancing.

The spin-off company will be added to the Index with a price of 0. The index calculation will be switched to official prices once the spin-off company starts to trade.

If the spin-off company does not start to trade on the effective date, a theoretical price for the spin-off company will be implemented as a fixed price until it commences trading.

Calculation: Price Spin-off Company = [(Close Price Parent Company prior to effective date) – (Open Price Parent Company on effective date)] x Transaction Terms

If the first trading day of the spin-off company is unknown on the ordinary rebalancing date, the spin-off company will be removed from the Index with a price of 0.

In case the spin-off company is already an index constituent, the additional shares demerged from the parent company will be added to spin-off company on effective date.

7. Listing Change

If an Index constituent changes its primary listing to a stock exchange which is not in accordance with the Index guideline, the listing change will be implemented of effective date of the listing change. The Index constituent will then be removed from the Index with a notice period of two days combined with a pro rata distribution of the weight to remaining Index constituents.



8. Bankruptcy / Insolvency / Liquidation

If an Index constituent is bankrupt, files for bankruptcy, insolvent or is being liquidated, the security will be removed from the Index with notice period of two business days. The weight will be distributed pro rata across the remaining Index constituents.

If the security has already been delisted from the corresponding stock exchange and / or no valid price for the security is available, Solactive tries to the best of its knowledge to track prices from alternative liquid markets. The determined price from an official source will then used for index calculation until the security will be removed from the Index based on the new price.

If no appropriate price for the Index constituent is available, the security will be removed with price of 0 from the Index.

9. Guru Indices

For Indices calculated with special Index calculation formula named “*GURU Logic*”, the following special treatment will be applied in any event, e.g. mergers, acquisitions, or spin-offs:

The affected Index constituent will be removed from the Index with a notice period of two days. The weight of the security based on its last price will be distributed equally within the affected sub-basket.

10. Additional Comments / Frequent Problems

Solactive AG uses best effort to provide information as good and as soon as possible. As a result of their nature, extraordinary corporate actions have characteristics which make a perfect tracking and adjustment process difficult. Problems like ad-hoc delisting, no listing date for the new company, undisclosed transaction terms, and incomplete or mismatched information occur very often and might need a high level of flexibility and short reaction times.

In case an extraordinary event is not outlined as mentioned above, the respective Index Committee may decide to adjust the Solactive Index in an appropriate way on a best effort basis.



DISCLAIMER

This document is for descriptive reasons. It makes no claims to completeness and accuracy. Solactive AG is not responsible for any errors or omissions or for the results obtained from the use or application of the present document. The content of the present document may not be modified, distributed, reproduced, republished, or sold in any form or by any means, in whole or in part, without the Solactive AG's prior written permission. The binding document is the rulebook as published on the Website of Solactive AG. Solactive AG does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is merely calculated and published by Solactive AG and it strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Solactive AG – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Solactive AG is no recommendation for capital investment and does not contain any assurance or opinion of Solactive AG regarding a possible investment in a financial instrument based on this Index.

