

CORRECTION POLICY

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1 PURPOSE

Solactive strives to calculate its Indices with the greatest possible efforts to ensure their accuracy. Nevertheless, errors in the Index determination and calculation process, such as the omission or incorrect implementation of a Corporate Action, the use of incorrect Input Data or the incorrect application of the Index methodology, may occur from time to time for a variety of reasons, both internal to Solactive and external. This Policy outlines the process to be applied where errors in the Index determination and calculation process occur. The aim of this process is to ensure that each respective Index continues to reflect the economic reality that is intended to measure after a correction.

2 SCOPE

This policy applies globally to all Indices administered by Solactive.

3 GENERAL PRINCIPLES

3.1 ERROR TYPES

During the process of administration of Indices, several types of errors may occur.

Errors that may occur in connection with the determination of the Index level can be divided into Data Errors and Application Errors.

Both Data Errors and Application Errors generally lead to an Index level that would have had a different value if the error had not occurred and therefore does not correctly reflect the market or economic reality represented by the Index.

Due to the processes implemented by Solactive to validate the data used to determine the Index level, any Data Error is usually detected promptly.

With respect to Rebalance Errors Solactive has set up internal processes for quality assurance and validation of results of the selection process and implementation in the Index, which aim to prevent the occurrence of errors related to rebalance. However, errors cannot be completely excluded. Such errors can be detected by Solactive within the framework of internal quality controls, which are carried out on a random basis, or on the basis of validation by the users of the Index. In such a case, errors may also be detected at a point in time that does not immediately follow the selection and adjustment of the Index.



3.2 PROCESS FOR ERROR INVESTIGATION

If a (potential) error has been identified or has been brought to Solactive's attention, an investigation process will be initiated. The investigation aims to confirm the potential error, determine the effects of the error on the determination of the Index level or the composition of the Index components and their weighting, and identify appropriate measures to address the error and correct the composition of the Index or the Index level.

During the investigation process, Solactive proceeds as follows:

- the error suspicion itself will be validated;
- information on Corporate Actions or values will be cross checked with data available from another data provider; and
- information on Corporate Actions or values may be cross checked with data as published in the original source, in case the validation with an alternative data provider did not result in clear results.

If the error and its treatment are not covered by the provisions of this Correction Policy, escalation to the Oversight Committee will occur in accordance with section 4.4.

4 CORRECTION TREATMENT

4.1 GENERAL

Solactive endeavours to correct all errors in connection with the determination of the Index level that have been identified within a reasonable period of time. Data and application errors will always be corrected as quickly as possible, i.e. within two Trading Days after their discovery. In individual cases of Data Errors and Application Errors as well as generally where there is a Rebalance Error, longer periods may be required due to the complexity of the event that caused the error or the amount of work involved in the correction.

Solactive applies different treatments depending on the error type.

In case of Data Errors or Application Errors, the Index level is corrected. Index levels for the period within errors have to be discovered in order to be taken into account (i.e. typically 2 Trading Days) are corrected and the Index is continuously calculated on the basis of the corrected data, corrections made to other Index parameters and/or the calculation logic.

In case of Rebalance Errors, the Index composition (including the weights of the Index constituents) as well as the Index level is corrected. Index levels for the period between the event in connection with which the error occurred (this is regularly the immediately preceding rebalance) and the error discovery are corrected and re-published.

The correction of data, Index parameter, calculation logic, composition of Index constituents and/or



weights of the Index constituents is effective for the future calculation of the Index level and is referred to as a 'Correction'. A correction of Index level of past due to Data Errors, Application Errors or Rebalance Errors is referred to as a 'Restatement'. This includes re-publishing the corrected Index level.

4.2 TIME LIMITS AND IMPLEMENTATION

Restatements and Corrections triggered by Data Errors and Application Errors are generally only made if they have been discovered within two Trading Days after occurrence of the event that caused the error.

Solactive may, at its own discretion, deviate from this general rule, provided that a Restatement or Correction is generally possible and would not lead to a disproportionate effort and costs. Erroneous management or transaction fees resulting from apparently wrong manual inputs will be restated even if this error was not detected with two Trading Days after application of the fees.

Restatements and Corrections of Index levels triggered by Rebalance Errors are generally made regardless of the time of their discovery after occurrence of the event that caused the error. Corrections of Index composition and weights of Index components triggered by a Rebalance Error may, after careful consideration and taking into account the affected Index's rebalance frequency, be implemented with the next ordinary rebalance of the Index provided that such rebalance take place as scheduled within the next ten Trading Days from the time the error was discovered.

Regarding the actual implementation of the Restatement triggered by a Rebalance Error, data of two diverging points in time may be used. The rectified selection as such will be based on the data of the time when the initial (i.e. wrong) selection was carried out. The weights in the new selection, however, will be based on the current data available at the time of the correction.

4.3 ERRORS DURING THE INDEX SET-UP

Errors may also occur during the set-up and launch phase of an Index, e.g. the back test of the Index.

If errors are contained in the back test of the Index, this back test can be restated if the error has been identified within 40 Trading Days after the launch of the Index.

If other errors are contained in the Index set-up process, Solactive may deviate from this rule in its own discretion, provided that such Restatement is generally possible and would not lead to a disproportionate expense.

4.4 UNFORESEEABLE ERROR TYPES

In the course of calculating and administering Indices, the occurrence of unforeseeable error types may be possible. As no pre-defined treatment is applicable for such errors, these cases have to be assessed individually. Due to the fact that the Indices are administered and calculated by application of a rule-based methodology, the occurrence of unforeseen error types should be confined to a minimum. In such cases, the following procedure applies:



- The respective Operations Team, or where there is an error during the Index set-up (section 4.3) the respective Product Development Team, will notify the Oversight Committee about any unforeseen error without undue delay, providing sufficient information to assess the situation. Relevant members of the Operations Team or the Product Development Team will be available to further explain the case in person upon request by the Oversight Committee.
- The Oversight Committee will evaluate the situation and decide whether and how the error should be rectified.

In line with the respective Index methodologies and Solactive policies, the Oversight Committee is responsible for overseeing and controlling Solactive's indexing business. The decisions of the Oversight Committee are made independently of and unaffected by the interests of other units within Solactive.

4.5 GENERAL REVIEW PROCESS

Any error and its individual Restatement and/or Correction are reviewed as follows:

- While a team member of the respective Operation Team investigates and corrects the error, another team member of the respective Operation Team reviews the applied measures as well as their required documentation.
- A representative of Compliance scrutinizes the Restatements and/or Corrections as well as its handling, the appropriateness of the remedial actions and the respective documentation on a random basis.

5 AUDIT TRAIL

Every error type as well as the involved employees of the respective Operations Team, or where there is an error during the index set-up the employees of the respective Product Development Team, and the respective measures which has been taken to correct this error (including, if the case may be, any Oversight Committee decision) is duly documented within Solactive's auditing framework and in line with the Solactive Record Keeping Policy.

6 ANNOUNCEMENT

Any Restatement and/or Correction made to an Index will be communicated to clients via email. The communication should include an explanation of the error, the implemented rectification and the effective date. The respective Operations Team, or where there is an error during the index set-up the respective Product Development Team, is instantly available to provide further explanations, if necessary, and within reasonable limits.

Upon request, affected clients may be provided with a detailed incident report by Solactive.



7 DEFINITIONS

For the purpose of this document defined terms used therein shall have the following meaning:

'Application Errors' describe events in which the process of determining the Index level has errors. This includes, but is not limited to:

- mistakes in the calculation logic; and
- incorrect application of the Index methodology in connection with the adjustment of the Index as a result of Corporate Actions, such as an incorrect implementation of the Corporate Action, the application of the incorrect weighting methodology or incorrect adjustment of Index parameter affected by the Corporate Action.

'BMR' means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on Indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

'Compliance' means the compliance department of Solactive.

'Corporate Action' means an event that results in an adjustment to the Index between two scheduled Index Rebalance Days. Such events have a material impact on the price, weighting or overall integrity of Index components.

'Correction' is specified in section 4.1

'Data Errors' describe events in which incorrect data or information is used in determining the Index level. This includes, but is not limited to, the use of:

- incorrect Input Data (prices/accrued interests/fx rates/management or rebalancing fees/tax rates); and
- incorrect information and data with respect to Corporate Actions, such as incorrect amount or currency of dividends, incorrect effective dates of Corporate Action events or incorrect information on the type of Corporate Action. This also includes situations in which a Corporate Action was missed due to insufficient or lack of information.

'Index' (or 'Indices') refers to an index as defined in Article 3 (1) (1) BMR.

'Input Data' means the data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by an administrator to determine an Index. foreign exchange rates are also considered Input Data, provided that such foreign exchange rates are used every time the level of an Index is determined.

'Index Rebalance Day' means the day specified in the relevant Index guideline.

'Operations Team' means the team within Solactive that is responsible for the day-to-day maintenance of an Index including determination and distribution of Index levels and ordinary as well as extraordinary adjustments, for example after occurrence of corporate actions with regard to the constituents of an Index or in the course of the regular rebalance of an Index.



'Oversight Committee' means a committee composed of staff from Solactive and its subsidiaries which is responsible for decisions regarding any amendments to the rules or any termination of the Index.

'Product Development Team' means the team within Solactive that is responsible for the development of the methodology for determining an Index.

'Rebalance Errors' describe events in which the rebalance process of an Index has errors. This includes, but is not limited to:

- an incorrect application of the Index methodology with respect to the selection criteria and the rebalance process;
- a use of incorrect data in the selection process; and
- an incorrect implementation of the selection results in the Index adjustment process.

'Record Keeping Policy' means Solactive's policy governing the processes to meet the record keeping requirements under Article 8 BMR.

'Restatement' is specified in section 4.1

'Solactive' means Solactive AG and its subsidiaries.

'Trading Day' means any day on which the affected Index and/or the index constituents are being traded regularly, i.e. excluding any scheduled holidays or days on which trading has been disrupted for other reasons.

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