

INDEX GUIDELINE

Solactive Target Volatility Series 1 & 2 Indices

06 December 2019



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INTRODUCTION

This document (the "GUIDELINE") is to be used as a guideline with regard to the composition, calculation and maintenance of the INDICES (as defined below). The two INDICES constitute the underlying assets of two series of Certificates issued by the ISSUER (as respectively defined below).

Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 3.5. The INDICES are owned, calculated, administered and published by Solactive AG assuming the role as INDEX ADMINISTRATOR under the BENCHMARK REGULATION (as defined below). The name "Solactive" is trademarked.

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE undertakes to use its best endeavours to ensure the correctness of the calculation. Pursuant to the BENCHMARK REGULATION, SOLACTIVE, as INDEX ADMINISTRATOR, shall have in place a control framework in order to, *inter alia*, identify errors and anomalies in the calculation of the INDEX. Once any error in the INDEX occurs, SOLACTIVE will publish a notice under the Section "Announcements", which is available at the following website: <https://www.solactive.com/news/announcements/>.

The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.



DEFINITIONS

Benchmark Regulation or BMR means the Regulation (EU) 2016/1011 and the relevant implementing measures;

Calculation Date means any Business Day which is also a Scheduled Fund Valuation Date starting on the Initial Calculation date (included) to the Final Calculation Date (included);

Certificates means the "*Up to 150,000 MAX LONG CAP CERTIFICATES on Solactive Target Volatility Serie 1 Index due 18.10.2022*" (ISIN Code: XS1496320778) and the "*Up to 150,000 MAX LONG CAP CERTIFICATES on Solactive Target Volatility Serie 2 Index due 22.11.2022*" (ISIN Code: XS1502430330) issued by the Issuer;

Currency of the Index means EUR;

Component means either the Non-Risky Component or the Risky Component of the Index;

Composition means the weight percentage of each Component as of the latest Rebalancing Date;

Cut-off Period the period of 6 consecutive Business Days starting on the Expected Final Calculation Date (included);

Disrupted Day means any day on which a Market Disruption Event, as defined in paragraph 2.9 (Market Disruption), occurs in relation to either the INDEX, or the Index Reference Fund, or the EONIA Rate;

EONIA Rate (euro overnight index average) means the rate which is a measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated by the European Central Bank (acting as the calculation entity) as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks. It is published on Bloomberg under the following code: <EONIA Index>;

Exchange Business Day means, in relation to the:

- (A) INDEX: the day on which the INDEX ADMINISTRATOR determines and publishes the Index Level;
- (B) index fund: any day on which the Net Asset Value of the index fund is (or would have been if a Market Disruption Event had not occurred) determined and/or published by the Fund Manager;
- (C) EONIA Rate: any day on which the EONIA Rate is determined and/or published by the calculation entity;

Execution Delay or D means, for the relevant Index Reference Fund, the number of Exchange Business Days that, according to the fund documentation, have to pass before a duly completed and timely submitted notice of a Hypothetical Investor requesting a subscription or redemption is processed and executed on a Fund Valuation Date at the relevant NAV. The Execution Delay or D is equal to 1, in relation to the Algebris Financial Credit Fund and equal to 0, in relation to the Eurizon EasyFund Azioni Strategia Flessibile.

Expected Final Calculation Date means 7 October 2022, in relation to Solactive Target Volatility Serie 1 Index and 11 November 2022, in relation to Solactive Target Volatility Serie 2 Index, or if no Scheduled



Redemption Valuation Date is occurring on any of such dates, the immediately following Scheduled Redemption Valuation Date, which is also a Business Day;

Final Calculation Date means the Expected Final Calculation Date provided that it is not a Disrupted Day. Otherwise, the Final Calculation Date is postponed according to the provisions described in paragraph 2.9 (Market Disruption);

Fund Interest means an interest held by an investor in an index fund. The elected Fund Interest units must be denominated in EUR;

Fund Manager means the Management Company (as defined below), the director, the manager or other entity which is responsible for publishing the Net Asset Value on behalf of the Management Company;

Fund Valuation Date means, with respect to any Fund Interest, the date as of which the related index fund (or its Fund Manager that generally determines such value) determines the value of such Fund Interest;

Hypothetical Investor means, in respect of the Index Reference Fund, a hypothetical investor in Fund Interests of such Index Reference Fund deemed (a) to have the benefits and obligations, pursuant to the Index Reference Fund documents, of an investor holding an interest in such Index Reference Fund, (b) in the case of any deemed investment in such Fund Interests, to have submitted a duly completed and timely notice requesting a subscription for the relevant number of such Fund Interests, (c) in case of any deemed redemption of an investment in such Fund Interests, to have submitted a duly completed and timely notice requesting a redemption of the relevant number of such Fund Interests;

Index Administrator means Solactive AG;

Index Reference Fund means Algebris Financial Credit Fund, I Class (ISIN Code IE00B81TMV64 and Bloomberg code: AFCIEUR ID <Equity>) or, following a Fund Exposure Event, Eurizon EasyFund Azioni Strategia Flessibile, Z Class (ISIN Code LU0497418391 and Bloomberg code: EURASFZ LX <Equity>);

Index or Indices means both the Solactive Target Volatility Serie 1 Index and the Solactive Target Volatility Serie 2 Index. Unless the context otherwise requires, the singular term "Index" shall refer to both Indices;

Index Level means the level of the Index either on the Initial Calculation Date or on any other Calculation Date, determined in accordance with 2.2 (Index calculation);

Initial Calculation Date means 18 October 2016, in relation to Solactive Target Volatility Serie 1 Index and 22 November 2016, in relation to for Solactive Target Volatility Serie 2 Index;

Initial Risky Component Calculation Date means the $(21 + L + D)$ -th Fund Valuation Date preceding the INITIAL CALCULATION DATE (where L is the NAV Lag and D is the Execution Delay);

Insolvency means that, by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Index Reference Fund, (i) all of the shares of that Index Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the shares of that Index Reference Fund become legally prohibited from transferring them;



Issuer means the issuer of the Certificates;

Live Date means 10th December 2019;

Lower Bound means 0.8;

Management Company is the entity responsible for the management of the index fund and means HSBC Securities (Ireland) Limited, in relation to the Algebris Financial Credit Fund and State Street Bank Luxembourg S.A., in relation to Eurizon EasyFund Azioni Strategia Flessibile;

Non-Risky Component means the daily compounding of the EONIA Rate.

NAV Lag or L means, for the relevant Index Reference Fund, the number of Exchange Business Days from a certain Fund Valuation Date (excluded) to the first date (included) on which the NAV, which is the relevant NAV for that Fund Valuation Date, is available to the public before noon (for example, if the relevant NAV for date t is available on t+1 at 6 pm, then NAV Lag equals 2 BDs). The Nav Lag or L is equal to 2 in relation to both the Algebris Financial Credit Fund and the Eurizon EasyFund Azioni Strategia Flessibile.

Nationalization means that the Index Reference Fund or all or substantially all the assets of an Index Reference Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

Rebalancing Date means either:

(i) the INITIAL CALCULATION DATE; or

(ii) any Calculation Date t, which falls after the INITIAL CALCULATION DATE but before the Calculation Date falling (L + D) Exchange Business Days before the Expected Final Calculation Date (where L is the NAV Lag and D is the Execution Delay), on which all the Volatility Rebalancing Conditions are met; or

(iii) a FUND SUBSTITUTION DATE;

Redemption Valuation Date means, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related index fund (or its Fund Manager that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a HYPOTHETICAL INVESTOR that had submitted a valid and timely notice for redemption on such date;

Relevant Price means the price per Fund Interest unit of the Index Reference Fund or of the Substitutive Fund determined by the INDEX ADMINISTRATOR subject to those adjustments that the INDEX ADMINISTRATOR may apply to reflect, without duplication:

(i) such fees and costs as would be charged to the HYPOTHETICAL INVESTOR pursuant to the relevant Index Reference Fund documentation;

(ii) the redemption proceeds relating to such Fund Interest in connection with a deemed redemption as of the Scheduled Redemption Valuation Date relating to the Final Calculation Date and to any Fund Substitution Date;



Risky Component means the Index Reference Fund;

Scheduled Fund Valuation Date means, with respect to any Fund Interest, a date on which the related Index Reference Fund (or its Fund Manager that generally determines the value) is scheduled, according to the index fund documentation (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or of its aggregate net asset value;

Scheduled Redemption Valuation Date means, with respect to any Fund Interest, the date as of which the Index Reference Fund (or its Fund Manager that generally determines the value) is scheduled, according to its Fund documentation (without giving effect to any gating, deferral, suspension or other provisions permitting the index fund to delay or refuse redemption of Fund Interests) to determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a HYPOTHETICAL INVESTOR;

Substitutive Fund means Eurizon EasyFund Azioni Strategia Flessibile, Z Class (ISIN Code LU0497418391 and Bloomberg code: EURASFZ LX <Equity>);

Target Volatility Level means 10%;

Upper Bound means 1.1;

Volatility Date(s) means, for each Calculation Date t , the 22 Fund Valuation Dates immediately preceding the relevant Volatility Limit Date;

Volatility Limit Date means, for each Calculation Date t the $(L + D - 1)$ -th Fund Valuation Date preceding t (where L is the NAV Lag and D is the Execution Delay).



1. INDEX SPECIFICATIONS

1.1. SCOPE OF THE INDEX

The INDICES are price return indices established and calculated by SOLACTIVE AG.

The investment strategy is based on the allocation between a RISKY COMPONENT and a NON-RISKY COMPONENT based on a rule which aims to achieve a stable predefined realized volatility of the strategy itself. The targeted level of volatility is the driving element of the allocation rule.

1.2. IDENTIFIERS AND PUBLICATION

The INDICES are published under the following identifiers:

Name	ISIN	Currency	Type	BBG ticker
Solactive Target Volatility Serie 1 Index	DE000SLA9V41	EUR	Price return	SOLTVS1
Solactive Target Volatility Serie 2 Index	DE000SLA9V58	EUR	Price return	SOLTVS2

The INDICES are published on the website of the INDEX ADMINISTRATOR (www.solactive.com) and are, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDICES (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the Solactive Target Volatility Serie 1 Index on the relevant INITIAL CALCULATION DATE is 100.

The initial level of the Solactive Target Volatility Serie 2 Index on the relevant INITIAL CALCULATION DATE is 100.

Historical values from the LIVE DATE, will be recorded in accordance with Article 8 of the BMR.

1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated for each CALCULATION DAY (on the second following weekday) based on the NET ASSET VALUES of the respective INDEX COMPONENTS, and will be published by the INDEX ADMINISTRATOR rounded off the third decimal, at the earliest, on the second Business Day succeeding the CALCULATION DAY (t) as specified below in Section 2.2.



1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by the INDEX ADMINISTRATOR.

2. CALCULATION OF THE INDEX

2.1. INDEX CONSTITUENTS

The index allocates across a diversified portfolio of 2 Assets set forth in the Table of Assets below:

Table of Assets

Asset	Bloomberg Code	Currency
Algebris Financial Credit Fund	AFCIEUR ID Equity	EUR
EONIA Rate	EONIA Index	EUR

2.2. INDEX CALCULATION

The INDEX LEVEL will be equal to $I_0 = 100$ on the INITIAL CALCULATION DATE and, on any other CALCULATION DATE t , will be calculated in accordance with the following formula, rounded off the tenth decimal:

$$I_t = I_y \times \left(1 + \%RAeff_y \times \left(\frac{NAV_t}{NAV_y} - 1 \right) + \%RF_y \times \left(\frac{RF_t}{RF_y} - 1 \right) \right) - Fees_t$$

with:

$$Fees_t = I_0 \times \%Fees \times FeesYF_{y,t}$$

where

t means each CALCULATION DATE;

y means the REBALANCING DATE immediately preceding CALCULATION DATE t ;

I_t means the closing level of the Index on the CALCULATION DATE t ;

I_y means the closing level of the Index on the REBALANCING DATE immediately preceding the CALCULATION DATE t ;

NAV_t means the Relevant Price of the INDEX REFERENCE FUND on CALCULATION DATE t ;



NAV_y means the Relevant Price of the INDEX REFERENCE FUND on REBALANCING DATE immediately preceding CALCULATION DATE t ;

$\%RAeff_y$ means the Effective Risky Component Weight (as defined below), as determined on the REBALANCING DATE immediately preceding CALCULATION DATE t ;

RF_t means the LEVEL OF THE NON-RISKY COMPONENT as observed on CALCULATION DATE t ;

RF_y means the LEVEL OF THE NON-RISKY COMPONENT on the REBALANCING DATE immediately preceding Calculation Date t ;

$\%RF_y$ means Non-Risky Component Weight (as defined below) as determined on the REBALANCING DATE immediately preceding CALCULATION DATE t ;

$\%Fees$ means the Annual Percentage Fees, equal to 0;

$\%FeesYF_{y,t}$ means the year fraction, calculated as the number of calendar days between y (included) and CALCULATION DATE t (excluded), divided by 365;

2.3. WEIGHTS OF EFFECTIVE RISKY AND NON-RISKY COMPONENTS

Based on the shares (old and new) on each CALCULATION DATE t , the effective exposure to the Risky Component ("Effective Risky Component Weight", or " $\%RAeff_t$ ") will be determined in accordance with the following formula:

$$\%RAeff_t = \frac{(OS_t + NS_t) \times NAV_t}{I_t}$$

where

OS_t means the number of old shares and is determined as follows:

$$OS_t = \begin{cases} 0, & \text{if } t = t_0 \\ OS_{t-1} + NS_{t-1}, & \text{if } t > t_0 \end{cases}$$

where t_0 means the INITIAL CALCULATION DATE;

and

NS_t means the number of new shares and is determined as follows:

$$NS_t = \begin{cases} \frac{I_0 \times \%RA_t}{NAV_t} & \text{if } t = t_0 \\ 0 & \text{if } t > t_0 \text{ and } t \text{ is not a Rebalancing Date} \\ \frac{I_{t-D-L} \times (\%RA_t - \%RAeff_y)}{NAV_t} & \text{if } t > t_0 \text{ and } t \text{ is a Rebalancing Date} \end{cases}$$

$\%RA_t$ or the "Optimal Risky Component Weight" is determined as of CALCULATION DATE t according to the following formula:



$$\%RA_t = \text{Max} \left(0, \text{Min} \left(100\%, \frac{TV}{\sigma_t} \right) \right)$$

Where

TV means the TARGET VOLATILITY LEVEL, equal to 10%;

σ_t means the "Risky Component Volatility" and is the annualized volatility of the RISKY COMPONENT, calculated as the historical volatility of the RISKY COMPONENT, according to the following formula:

$$\sigma_t = \sqrt{\frac{\sum_{s=t-(21+L+D)}^{t-(L+D)} [\ln(P_s)]^2}{21}} \times 252$$

where

D means EXECUTION DELAY;

L means NAV LAG;

s means from $t - (21 + L + D)$ to $t - (L + D)$, each of the 22 Volatility Dates immediately preceding CALCULATION DATE ($t - D - L + 1$);

P_s means the daily performance of the INDEX REFERENCE FUND, determined from the Initial Risky Component CALCULATION DATE onward in accordance with the following formula:

$$P_s = \frac{NAV_s}{NAV_{s-1}}$$

For the avoidance of any doubt, with regards to the Volatility Date $s = t - (21 + L + D)$, the calculation of P_s is based also on the Relevant price of the INDEX REFERENCE FUND as of date $t - (21 + L + D) - 1$, which is the first Fund Valuation Date preceding the Volatility Date $s = t - (21 + L + D)$.

On each CALCULATION DATE t , the Non-Risky Component Weight (the " $\%RF_y$ ") assigned is defined as:

$$\%RF_y = (100\% - \%RAeff_y)$$

2.4. LEVEL OF NON-RISKY COMPONENT

The LEVEL OF THE NON-RISKY COMPONENT means the level of the NON-RISKY COMPONENT determined by the INDEX ADMINISTRATOR as follows:

- in relation to the INITIAL CALCULATION DATE, equal to 100; or
- in relation to any CALCULATION DATE t ,

$$RF_t = RF_{t-1} \times \left(1 + Rate_{t-1} \times \frac{Days_{t-1,t}}{360} \right)$$

where

RF_t means the LEVEL OF THE NON-RISKY COMPONENT on the CALCULATION DATE t ;



RF_{t-1} means the LEVEL OF THE NON-RISKY COMPONENT on the last date prior to the CALCULATION DATE t on which the LEVEL OF THE EONIA Rate has been published;

$Rate_{t-1}$ means the level of EONIA Rate as of the last date prior to the CALCULATION DATE t on which the EONIA Rate has been published by the relevant calculation entity,

$Days_{t-1,t}$ means the number of calendar days from the last date (excluded) prior to the CALCULATION DATE t on which the EONIA Rate has been published and the CALCULATION DATE t (included).

2.5. REBALANCING

On each CALCULATION DATE t , the portion of the INDEX LEVEL that is invested in the INDEX REFERENCE FUND (i.e. the RISKY COMPONENT) is represented by a certain number of INDEX REFERENCE FUND shares valued at the relevant NAV. Such number of shares is constant between two consecutive REBALANCING DATES and it changes on each REBALANCING DATE when a Rebalancing occurs a certain number of new shares is added to the previous number of shares (old shares). In particular when the Rebalancing requires to increase the exposure to the Risky Component, the number of new shares is positive, while if the Rebalancing requires to reduce such exposure the new shares number is negative. The new shares due to a certain Rebalancing are invested/disinvested at the Relevant Price as of the corresponding REBALANCING DATE. The INDEX ADMINISTRATOR confirms that such rebalancing is in line with its benchmark statement published in accordance with article 27 of the Benchmark Regulation.

REBALANCING DATE means either:

- a) the INITIAL CALCULATION DATE; or
- b) any CALCULATION DATE t , which falls after the INITIAL CALCULATION DATE but before the Calculation Date falling $(L + D)$ Exchange Business Days before the EXPECTED FINAL CALCULATION DATE (where L is the NAV Lag and D is the Execution Delay), on which all the Volatility Rebalancing Conditions are met; or
- c) a Fund Substitution Date.

On each CALCULATION DATE t , based on the current Optimal Risky Component Weight and on the Effective Risky Component Weight as of the latest REBALANCING DATE, the allocation shall change only if both of the following conditions (the "Rebalancing Conditions") are met:

- a) $\frac{\%RA_{effy}}{\%RA_t} > UB$ or $\frac{\%RA_{effy}}{\%RA_t} < LB$
- b) None of the Calculation Dates from $[t - (D + L)]$ (excluded) to $(t - 1)$ (included) is REBALANCING DATE.

where

y means the REBALANCING DATE immediately preceding CALCULATION DATE t ;

$\%RA_t$ means the Optimal Risky Component Weight calculated on CALCULATION DATE t ;



$\%RAeff_y$ means Effective Risky Component Weight calculated on the REBALANCING DATE immediately preceding CALCULATION DATE t ;

UB is the UPPER BOUND, equal to 1.1;

LB is the Lower Bound, equal to 0.8;

Once the Rebalancing Conditions are satisfied, a rebalancing takes place on such REBALANCING DATE with a new allocation targeting the predefined level of volatility of the Index (a "Rebalancing").

2.6. FUND SELECTION AND SUBSTITUTION

The INDEX REFERENCE FUND on the INITIAL CALCULATION DATE is Algebris Financial Credit Fund, I Class (ISIN Code IE00B81TMV64 and Bloomberg code: AFCIEUR ID <Equity>). The investment policies in relation to this fund are available and freely accessible at <http://www.algebris.com/funds/show/documents/7>.

Following a Fund Exposure Event (as defined below) Eurizon EasyFund Azioni Strategia Flessibile, Z Class (ISIN Code LU0497418391 and Bloomberg code: EURASFZ LX <Equity>) may be elected as INDEX REFERENCE FUND. The investment policies in relation to this fund are available and freely accessible at <http://www.eurizoncapital.it/scriptWeb40/eurizonweb/eurizon/it/privati/documentazione/fondilussemburghesi-e-sicav.jsp>.

If the ISSUER communicates to the INDEX ADMINISTRATOR that it holds more than 20% of the aggregate net asset value of the Index Reference Fund, such day shall be deemed to be the "Fund Exposure Event Day". On the Fund Exposure Event Day, the INDEX REFERENCE FUND will become the "Substituted Fund" and Eurizon EasyFund Azioni Strategia Flessibile will become the "SUBSTITUTIVE FUND". The first Calculation Date following the Fund Exposure Event Day that is not a Disrupted Day for either the Substituted Fund and the Substitutive Fund (such Calculation Date, the "Fund Substitution Date") shall be deemed to be a Rebalancing Date and, therefore, a Rebalancing (as defined in Condition 2.5) will take place.

For the purposes of such Rebalancing:

- (i) Index Level is obtained using the Relevant Price of the Substituted Fund;
- (ii) the Risky Component Volatility is obtained using the Relevant Prices of the Substitutive Fund.

Starting from the first Calculation Date following the Fund Substitution Date, the Risky Component is solely comprised of the Substitutive Fund, which will become the Index Reference Fund.

2.7. ADJUSTMENTS

If an Adjustment Event has occurred and its negative effects cannot be corrected, the INDEX ADMINISTRATOR may apply the provisions of Market Disruption Events.

2.7.1. Adjustment Events in relation to the Index Reference Fund



Terms

"ADJUSTMENT EVENT" means, in relation to an INDEX REFERENCE FUND, one or more of the following events:

- a) Nationalization;
- b) Insolvency;
- c) the INDEX REFERENCE FUND (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), or (ii) makes a general assignment or arrangement with or for the benefit of its creditors, or the Index Reference Fund 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, a proceeding seeking judgement of insolvency or bankruptcy or any other similar relief, or (iii) has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief, (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, (v) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction has an analogous effect to any of the events specified in clauses from (i) to (v) above;
- d) the net asset value of the Index Reference Fund has decreased by an amount considered reasonably significant by the INDEX ADMINISTRATOR in good faith, or the Index Reference Fund has violated any leverage restriction that is applicable to, or affecting, such Index Reference Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Index Reference Fund documents or any contractual restriction binding on or affecting the Index Reference Fund or any of its assets;
- e) (i) the resignation, termination, or replacement of its Index Reference Fund adviser or (ii) the resignation, termination, death or replacement of any key person as specified;
- f) any change or modification of the related documents that could reasonably be expected to affect the value of such Index Reference Fund;
- g) any breach or violation of any strategy or investment guidelines stated in the related Index Reference Fund documents that is reasonably likely to affect the value of such Index Reference Fund or the rights or remedies of any holders thereof (in each case, as determined by the INDEX ADMINISTRATOR);
- h) (i) cancellation, suspension or revocation of the registration or approval of the Index Reference Fund by any governmental, legal or regulatory entity with authority over such Index Reference Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Index



- Reference Fund or its Index Reference Fund adviser that is reasonably likely to have an adverse impact on the value of such Index Reference Fund or on any investor therein, or (iii) the Index Reference Fund or any of its Fund Manager of Index Reference Fund adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Index Reference Fund, Fund Manager or Index Reference Fund adviser;
- i) (i) occurrence of any event affecting such Index Reference Fund that, in the determination of the INDEX ADMINISTRATOR, would make it impossible or impracticable for the INDEX ADMINISTRATOR to determine the value of such Index Reference Fund, and such event continues for at least the foreseeable future; (ii) any failure of the Index Reference Fund to deliver, or cause to be delivered, (A) information, if any that such Index Reference Fund has agreed to deliver, or (B) information that has been previously delivered, as applicable, in accordance with such Index Reference Fund, or its authorized representative's, to monitor such Index Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Index Reference Fund;
 - j) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) 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 ISSUER determines in good faith and communicates to the INDEX ADMINISTRATOR that (A) it has become illegal to hold, acquire or dispose of the interest issued or held in the Index Reference Fund, or (B) it will incur a materially increased cost in performing its obligations with respect to the interest issued or held in the Index Reference Fund (including, without limitation, due to any increase in tax liability, decrease in tax benefit of other adverse effect on its tax position);
 - k) the ISSUER communicates to the INDEX ADMINISTRATOR that it would incur a materially increased (as compared with circumstances existing on the INITIAL CALCULATION DATE) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any interest issued or held in the Index Reference Fund of entering into and performing its obligations with respect to the relevant Fund Security, or (ii) realize, recover or remit the proceeds of any such transaction (s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the ISSUER shall not be deemed an increased cost of hedging pursuant to this clause k);
 - l) any day, a failure by the Index Reference Fund to pay the full amount (whether expressed as a percentage or otherwise) of the redemption proceeds that would be paid, calculated by the ISSUER and communicated to the INDEX ADMINISTRATOR;
 - m) any other event affecting the economic value and, consequently, the market price of the Index Reference Fund;



Following the occurrence of an Adjustment Event pursuant to (a), (b), above in relation to an Index Reference Fund, the INDEX ADMINISTRATOR will publish a notice on its website.

Adjustment Events pursuant to (c), (d), (e), (f), (g), (h), (i), (j), (k), (l) and (m) above shall be treated as Market Disruption Events and Condition 2.9.1 (*Market Disruption Events in relation to the Index Reference Fund*) shall apply.

2.7.2 Adjustment Events in relation to the EONIA Rate

"ADJUSTMENT EVENT" means, in relation to the EONIA Rate, the occurrence of one or both of the following events:

- i) the EONIA Rate is no longer calculated by the relevant Entity in charge for the calculation, but by another entity which has replaced the Entity in charge of the calculation.
- ii) the EONIA Rate is cancelled or replaced, and, in the reasonable opinion of the INDEX ADMINISTRATOR, it is not possible to determine a new interest rate. In such case, the Administrator and an expert appointed by the INDEX ADMINISTRATOR will continue to calculate and publish the interest rate pursuant to the previous system and to the last level calculated.

The INDEX ADMINISTRATOR will announce the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the INDEX ADMINISTRATOR's website under the Section "Announcements", which is available at <https://www.solactive.com/news/announcements/>. The INDEX adjustments will be implemented on the effective day specified in the respective notice.

2.8. RECALCULATION

The INDEX ADMINISTRATOR undertakes to use its best endeavors to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. The INDEX ADMINISTRATOR endeavors, pursuant to its control framework required under Benchmark Regulation, to correct all errors that have been identified within a reasonable period of time and once any error in the INDEX occurs will publish a notice under the Section "Announcements", which is available at the following website: <https://www.solactive.com/news/announcements/>. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the INDEX ADMINISTRATOR's website: <https://www.solactive.com/documents/correction-policy/>.

2.9. MARKET DISRUPTION

2.9.1 Market Disruption Events in relation to the Index Reference Fund



Market Disruption Events means, on a Scheduled Fund Valuation Date, or on a Scheduled Redemption Valuation Date and occurring at any time on the relevant Scheduled Fund Valuation Date or Scheduled Redemption Valuation Date, the occurrence of the following events:

- i) the failure to publish or determine the net asset value of the Index Reference Fund;
- ii) any other event similar to the event set out above which makes it impossible or impracticable for the INDEX ADMINISTRATOR to calculate the INDEX;
- iii) any other event, communicated by the ISSUER to the INDEX ADMINISTRATOR, which makes it impossible or impracticable for the ISSUER to perform its duties pursuant to the CERTIFICATES.

2.9.2 Market Disruption Events occurring on the Expected Final Calculation Date:

If the INDEX ADMINISTRATOR determines a Market Disruption Event has occurred on the Expected Final Calculation Date, then the Expected Final Calculation Date is postponed to the next following Scheduled Redemption Valuation Date on which the Market Disruption Event ceases.

If no day that is not a Disrupted Day has occurred prior to the last day of the Cut-off Period, the last day of the Cut-off Period shall be deemed to be the Final Calculation Date, notwithstanding the fact that such day is a Disrupted Day and the INDEX ADMINISTRATOR, acting in good faith and in a commercially reasonable manner, will determine the good faith estimate value for that Index Reference Fund.

2.9.3 Market Disruption Events occurring on any Calculation Date following the Initial Calculation Date and prior to the Expected Final Calculation Date:

If the INDEX ADMINISTRATOR determines that a Market Disruption Event has occurred on any Calculation Date following the Initial Calculation Date and prior to the Expected Final Calculation Date, in such case such Disrupted Day is no longer deemed to be a Calculation Date nor a Volatility Date.

The INDEX ADMINISTRATOR will publish a notice regarding the occurrence of any Market Disruption Event, by way of a notice published on the INDEX ADMINISTRATOR's web site www.solactive.com.

2.9.4 Market Disruption Event in relation to EONIA Rate

Market Disruption Events means, on a Scheduled Fund Valuation Date, or on a Scheduled Redemption Valuation Date and occurring at any time on the relevant Scheduled Fund Valuation Date or Scheduled Redemption Valuation Date:

- i) the permanent discontinuance or the failure to publish, determine, substitute the EONIA Rate, provided that if such failure is an Adjustment Event pursuant to 2.7.2, such event will be considered an Adjustment Event and not a Market Disruption Event; and
- ii) any other event similar to the events set out above which makes it impossible or impracticable for the INDEX ADMINISTRATOR to perform its duties pursuant to the Index.



If the INDEX ADMINISTRATOR determines that a Market Disruption Event has occurred, then the INDEX ADMINISTRATOR shall identify in good faith and according to the best market practices a substitutive suitable interest rate for the purposes of such determination, or, in the event that no substitutive suitable interest rate can be validly identified, then the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

If, on the eight Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, then the INDEX ADMINISTRATOR, acting in good faith and in a commercially reasonable manner, will determine the official value of the EONIA Rate, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of the EONIA Rate.

2.9.5 Calculation in periods of market stress

In periods of market stress the INDEX ADMINISTRATOR calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the INDEX ADMINISTRATOR'S website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress. In the event of any inconsistency between the Solactive Disruption Policy and the provisions of this Guideline, the latter will prevail.



3. MISCELLANEOUS

3.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX () shall be made in accordance with the Benchmark Regulation.

3.2. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which is compliant with the requirements set out under article 12 of the Benchmark Regulation and which is incorporated by reference and available on the INDEX ADMINISTRATOR'S website: <https://www.solactive.com/documents/methodology-policy/>.

Such change in the methodology will be announced on the INDEX ADMINISTRATOR'S website under the Section "Announcement", which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX is contained in this GUIDELINE.

3.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR of the method described in this document is final and binding. The INDEX ADMINISTRATOR shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions, all in accordance with Benchmark Regulation. The INDEX ADMINISTRATOR will provide information on any such modifications or changes by publishing a notice under the Section "Announcements", which is available at the following website: <https://www.solactive.com/news/announcements/>. Despite the modifications and changes, the INDEX ADMINISTRATOR will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above and with the Benchmark Regulation.



3.4. TERMINATION

The INDEX ADMINISTRATOR makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, the INDEX ADMINISTRATOR follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 3.2 “Methodology Review”) in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

The INDEX ADMINISTRATOR has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index pursuant to article 28 of the Benchmark Regulation. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the INDEX ADMINISTRATOR’s website: <https://www.solactive.com/documents/termination-policy/>.

3.5. OVERSIGHT

An oversight committee composed of staff from the INDEX ADMINISTRATOR and its subsidiaries (the “OVERSIGHT COMMITTEE”) is responsible for decisions regarding any amendments to the rules of the INDEX. Any such amendment, which may result in an amendment of the GUIDELINE, must be submitted to the OVERSIGHT COMMITTEE for prior approval and will be made in compliance with the Methodology Policy, which is available on the INDEX ADMINISTRATOR’s website: <https://www.solactive.com/documents/methodology-policy/>. It should be understood that any amendments of the GUIDELINE must be in compliance with the BENCHMARK REGULATION.



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