MARKET CONSULTATION SOLACTIVE GLOBAL URANIUM & NUCLEAR COMPONENTS TOTAL RETURN INDEX

22 July 2020

Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the following Index (the 'Index):

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Solactive Global Uranium & Nuclear Components Total Return Index	.SOLURANT	DE000SLA4825

Rationale for Proposed Changes

The change of methodology should enhance the targeted nature of the Index while accounting for liquidity and capacity considerations.

Currently 50% Pure Play Companies and 50% Non-Pure Play Companies are included in the Index.

With the new weighting concept, the share of Pure-Play Companies will be increased to 70% to better represent the focus of the Index and not be diluted by companies with another focus and only a small uranium exposure.

In order to better represent the uranium market the Index shall, therefore, restrict the number of Non-Pure Play Companies and Nuclear Component Producer Companies being tract, while reducing the Free Float Market Capitalisation threshold in order to select smaller Pure Play Companies. Additionally, and for the same reason, the adjustment frequency shall be twice a year instead of once a year to capture important IPOs in the uranium market.

Furthermore, the weighting concept shall shift the focus more on Pure Play Companies and account for markets liquidity peculiarities.

Proposed Changes to the Index Guideline

The following Methodology changes are proposed in the following points of the Index Guideline (ordered in accordance with the numbering of the affected sections):

Section 1.5 Weighting

From (old version):

> "On each Selection Day and Reweighting Selection Day a calculation model is applied to determine the weights of the Index Components of the Solactive Global Uranium & Nuclear Components Total Return Index. The objective of the calculation model is to minimize the sum of squared

differences between the final weights and the free float market capitalization weighted Index Universe subject to the following set of constraints.

(a) The maximum weight of a pure play company is 20%

(b) The maximum weight of a non-pure play company is 4.50%

(c) The maximum weight of a nuclear component producer company is 4.50%

(d) The minimum weight is 0.25%

(e) The sum of weights of all components that have a weight larger than 5% must not exceed 45%

(f) The sum of weights of all components that have a market capitalization smaller than USD 100 million must not exceed 5%

(g) The maximum allowed weight of a company that has an average daily trading volume over the previous 3 months below USD 200,000 is 0.50%

(h) The sum of weights of all nuclear component producer companies must not exceed 30%"

To (new version):

"On each Selection Day the weights of the selected Index Components are determined by applying an "Effective Market Capitalization" weighting scheme that accounts for liquidity in determining final weights.

1. The weight of a selected given constituent will be determined based on the lesser of:

- o Free Float Market Capitalization
- o Average daily trading value multiplied by 2000.

2. Non-Pure Play Companies and Nuclear Component Producer Companies will be capped at 2.00%.

3. The overall number of Non-Pure Play Companies and Nuclear Component Producer Companies (in aggregate) will be capped at 15, with preference given to current Index Components first and then prioritized by Free Float Market Capitalization.

4. The maximum weight of a Pure Play Company is 22.50%.

5. The aggregate weight of all Pure Play Companies with a weight larger than or equal to 5% will be capped to 47.50%.

6. All remaining Pure Play Companies are capped at 4.75%."

Section 2.1 Selection of the Index Components

Add the minimum number of Non-Pure Play and Nuclear Component Producer Companies:

> "(...) The overall number of Non-Pure Play Companies and Nuclear Component Producer Companies (in aggregate) will be capped at 15, with preference given to current Index Components first and then prioritized by Free Float Market Capitalization."

Section 2.2 Ordinary adjustment

From (old version):

> "The composition of the Index is ordinarily adjusted once a year on the last business day of January and July. The composition of the Index is reviewed on the Selection Day and necessary changes are announced.
>
> Additionally, the weights of the Index components will be newly determined as described in 1.5 on the Reweighting Adjustment Day on the last business day of July. (...)"

To (new version):

> "The composition of the Index is ordinarily adjusted semi-annually on the last Business Day of January and July. The composition of the Index is reviewed on the Selection Day and necessary changes are announced. (...)"

Section 4 Definitions

Amendment of the definition of "Index Universe":

From (old version):

""Index Universe" in respect of a Selection Day are companies that fulfill the following criteria:

(...)

(c) Free Float Market Capitalization of at least USD 75 million for companies which are not Index Components on the respective Selection Day, at least USD 50 million for companies which are Index Components on the respective Selection Day

(...)."

To (new version):

""Index Universe" in respect of a Selection Day are companies that fulfill the following criteria:

(...)

(c) Free Float Market Capitalization of at least USD 50 million for companies which are not Index Components on the respective Selection Day, at least USD 30 million for companies which are Index Components on the respective Selection Day

(...)"

Amendment of the definition of "Adjustment Day":

From (old version):

> ""Adjustment Day" is the last business day in January. If that day is not a business day, the adjustment day will be postponed to the next following business day."

To (new version):

> ""Adjustment Day" is the last Business Day in January and July. If that day is not a Trading Day, the Adjustment Day will be postponed to the next following Trading Day."

Amendment of the defined term of Pure Player:

From (old version):

> ""Pure Player" refers to a company if a significant part of the business operations is or is expected to be related to the uranium industry (in particular uranium mining, exploration for uranium, physical uranium investments and technologies related to the uranium industry). For companies that are defined as Primary Producers, they must additionally earn more than 50% of the previous year's revenue with the sale of uranium."

To (new version):

> ""Pure Play Company" refers to a company if a significant part of the business operations is or is expected to be related to the uranium industry (in particular uranium mining, exploration for uranium, physical uranium investments and technologies related to the uranium industry). For companies that are defined as Primary Producers, they must additionally earn more than 50% of the previous year's revenue with the sale of uranium."

Amendment of the defined term of Pure Player and Non-pure Player:

From (old version):

> ""Non-pure Player" refers to a company if a significant absolute amount of the business operations is or is expected to be related to the uranium industry (in particular uranium mining, exploration for uranium, physical uranium investments and technologies related to the uranium industry)."

To (new version):

> ""Non-Pure Play Company" refers to a company if a significant absolute amount of the business operations is or is expected to be related to the uranium industry (in particular uranium mining, exploration for uranium, physical uranium investments and technologies related to the uranium industry)."

Removal:

> Removing of "Reweighting Adjustment Day" and "Reweighting Selection Day" since replaced by the semi-annual selection/rebalance.

Extraordinary Adjustment and cancellation of the upcoming reweighting

Due to the change in the adjustment frequency as well material changes in the selection methodology an extraordinary adjustment is planned after the above changes are implemented. The Selection Day is set on the Date the updated guideline will become effective.

For the purpose of this extraordinary adjustment, the "Adjustment Day" shall be the Trading Day 10 Business Days after the Selection Day.

A "Business Day" is a day on which New York Stock Exchange is open for trading (as defined in the current guideline).

To avoid unnecessary turnover and cost as well as to not confuse the market participants with an re-weighting during the time of this Market Consultation, the Committee decided to cancel the ordinary Re-Weighting in July 2020 as made public in a separate Announcement.

Feedback on the proposed changes

If you would like to share your thoughts with Solactive, please use this consultation form and provide us with your personal details and those of your organization.

Name	
Function	
Organization	
Email	
Phone	
Confidentiality (Y/N)	

Solactive is inviting all stakeholders and interested third parties to evaluate the proposed changes to the Methodology for the SOLACTIVE GLOBAL URANIUM & NUCLEAR COMPONENTS TOTAL RETURN INDEX and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until 5th August 2020.

Please send your feedback via email to compliance@solactive.com, specifying "Market Consultation SOLACTIVE GLOBAL URANIUM & NUCLEAR COMPONENTS TOTAL RETURN INDEX as the subject of the email, or

via postal mail to: Solactive AG
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Should you have any additional questions regarding the consultative question in particular, please do not hesitate to contact us via above email address.

SOLACTIVE
German Index Engineering

CONTACT

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany
Tel.: +49 (0) 69 719 160 00
Fax: +49 (0) 69 719 160 25
Email: info@solactive.com
Website: www.solactive.com