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## **Index Rules and Methodology**

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## **S-Network Emerging Infrastructure Builders Index<sup>SM</sup> (EIBI) Rule Book (Section I)**

This document provides the rules for calculating and maintaining the S-Network Emerging Infrastructure Builders Index, hereafter referred to as the “EIBI”. Included in these rules are the following: 1) a description of the EIBI, 2) the design specifications for the EIBI, and 3) the index calculation and data elements.

### **I. General Description**

The S-Network Emerging Infrastructure Builders Index is an equity index designed to serve as an equity benchmark for globally traded stocks that are principally engaged in the construction, development and maintenance of infrastructure in countries identified in the World Bank Country Classification system as “Middle Income” countries (“Middle Income countries”). The EIBI employs a modified capitalization weighting methodology designed to assure accurate investment exposure across the various business segments that together comprise the emerging markets infrastructure industry.

The EIBI comprises seven main sectors (“the Sectors”):

- **Construction & Engineering,**
- **Construction Machinery,**
- **Construction Materials,**
- **Diversified Metals & Mining,**
- **Heavy Electrical Equipment,**
- **Industrial Machinery, and**
- **Steel.**

Companies included in the EIBI are engaged in “primary” infrastructure development and excludes companies within applicable sectors engaged in construction and development unrelated to infrastructure, such as house builders.

The EIBI contains stocks selected from a universe of equity securities domiciled in Middle Income countries. Also included are a limited number of companies domiciled in countries classified by the World Bank as High Income countries, which provide goods and/or services that are essential to infrastructure development in Middle Income countries and which derive more than 33% of their total revenues from Middle Income countries.

The selection criteria include requirements for industry participation, primary exchange listing, minimum capitalization (adjusted for free float), and minimum average daily trading volume.

The EIBI employs a weighting methodology that reflects the float adjusted market capitalization and liquidity characteristics of the different stocks. Capping procedures are applied when needed to assure that the index is in compliance with various US and European regulatory guidelines governing concentration of holdings.

## II. Index Values at Inception

EIBI had a value at inception of 1000, on its inception date of January 1, 2005. EIBI is calculated as a Price Only Index and as a Total Return Index in both USD and EUR.

## III. The Index Committee

The EIBI Index Committee (“The Committee”) will be composed of not less than three members. The Committee Chairman will have extensive experience in and expertise in financial markets and stock market characteristics. One of the members will have expertise in the global infrastructure development industry.

The Committee will be responsible for maintaining a comprehensive list of companies that are principally engaged in at least one of the business segments and the list will form the EIBI universe of stocks.

Impartial selection criteria will then be applied to these stocks to determine whether or not they should be included in the index.

The Committee will then review the stocks to be included in the EIBI and may reject any stock that it believes does not meet its overall standards for risk and sound business practice.

The Committee will meet quarterly, either in person or via teleconference, to discuss index issues and organize the quarterly or special rebalancings.

The composition of the Committee may from time to time be changed to reflect changes in market conditions.

## IV. Eligibility Criteria.

Only companies that meet the following eligibility criteria may be considered for inclusion in the EIBI index.

- i) Companies domiciled in Middle Income countries must be principally engaged in infrastructure development in Middle Income countries. The World Bank defines a Middle Income country as having a per capita Gross National Income (GNI) of between USD 996 p.a. and USD 12,195 p.a. “Principally engaged” is defined as generating over 50% of gross revenues from infrastructure development. A limited number of companies domiciled in High Income countries, which provide goods and/or services that are essential to infrastructure development in Middle Income countries and which derive more than 33% of their gross revenues from Middle Income countries are also eligible.
- ii) The company’s stock (either as ordinary, GDR or ADR) must trade on a recognized North American, European or Asian stock exchange that provides a “last closing price”. (National Stock Exchange, formerly NASDAQ, stocks must be “reported securities” under 11Aa3-1 of the Securities and Exchange Act, i.e., National Market System stocks, and similar criteria apply to stocks with foreign listings.) For companies with

multiple share classes, the eligibility of each share class will be considered based upon its float market capitalization and its overall liquidity (average daily trading volume) as if each represented a separate company. A single share class will then be chosen to represent the company. A list of approved exchanges is shown in Appendix A.

- iii) The minimum capitalization value for each stock will be determined at index inception and will be revised with each quarterly reconstitution to reflect current market levels. The minimum capitalization value for any stock will be greater than USD 500 million.
- iv) The minimum free float value for each stock will be determined at index inception and will be revised with each quarter reconstitution to reflect current market levels. The minimum free float value for any stock will be greater than USD 300 million.
- iv) Any EIBI constituent whose market capitalization falls below USD 300 million on the date of the quarterly reconstitution shall be deleted from EIBI after the close on the effective date of the reconstitution.
- v) Any EIBI constituent whose free float falls below USD 200 million on the date of the quarterly reconstitution shall be deleted from EIBI after the close on the effective date of the reconstitution
- vi) Companies must have turnover (shares traded X average share price) of at least USD 1 million per day for the three months preceding the last trading date of the second month of each calendar quarter.
- vii) A constituent whose three-month average daily trading volume falls below USD 750,000 on the date of the quarterly rebalancing shall be deleted from the EIBI before the open of trading on the effective date.

## V. Constituent Weightings

- i) The constituent stocks contained in EIBI are grouped into the following **full market capitalization** categories:
  - Large Capitalization (>USD 6 Billion)
  - Mid-Capitalization (<USD 6 Billion; >USD 1.5 Billion)
  - Small Capitalization (<USD 1.5 Billion)
- ii) Stocks contained in each capitalization grouping are weighted based upon their float adjusted market capitalization within each grouping.
- iii) Any stock with a weight greater than 10% of EIBI will be capped at 10% and the remaining weight shall be redistributed on a proportional basis to the remaining stocks in the grouping.

- iv) Each capitalization grouping is assigned its weight based on the component count of the capitalization grouping as a percentage of the total number of constituents contained in the EIBI.
- v) The total weight of all the stocks contained in the index with weights greater than 5%, following the capping described in Section VI(iii) shall be capped at 40%. The weights of the stocks with weights over 5% shall be reduced on a proportional basis and added to the weights of the stocks with weights under 5% on a proportional basis. Certain smoothing procedures may be applied to assure weighting consistency.

## **VI. Rules for Reconstitutions, Rebalances, and Index Changes**

The EIBI is calculated externally by Standard and Poor's Custom Indexes (The Calculation Agent). The Calculation Agent is also responsible for index maintenance and price dissemination. The calculation, maintenance and dissemination rules are as follows:

**Index Changes.** Index changes take place at each rebalancing date, except in the event of certain corporate actions, such as mergers, acquisitions, spin-offs and delistings. In such cases, the change is applied on the effective date of the action, unless otherwise determined by the Index Committee. Share increases and decreases, as well as changes in float, are reflected on the rebalancing date. Whenever possible, changes will be announced at least two business days prior to their implementation.

**Index Reconstitutions.** The Index is reconstituted quarterly; during which the Index Committee submits to the Calculation Agent a list of companies that are eligible for inclusion in EIBI based upon their domicile and business content. All candidates and current constituents are screened against the EIBI 'Eligibility Criteria', and weights are applied based on the weighting methodology described in Section VI herein.

**Additions and Deletions.** Additions and Deletions to the Indexes are made 1) at the close of trading on the quarterly reconstitution dates (third Friday of the last month of each calendar quarter) and 2) in the event of the deletion of a constituent stock due to a corporate action. When a stock is deleted, no replacement stock is added.

Deletions are made at any time, in the event a company is de-listed, files for bankruptcy, is acquired or merges with another company. Additions are made only upon the effective date of the quarterly rebalancings.

## **VII. Roles of Parties in the Quarterly Reconstitutions.**

- i) The Committee, or its designee, will submit to the Calculation Agent a list of index constituents for possible inclusion in EIBI at the close of US markets on the Monday following the third Friday of the month prior to the rebalancing month.
- ii) The Calculation Agent will use the remaining criteria in V to statistically screen the list of index constituents to confirm their eligibility for the index

based on closing prices and values as of last trading date of the second month of each calendar quarter.

- iii) On the first Friday of the rebalancing month, the Calculation Agent shall provide the Committee, or its designee, with a list of constituents for the EIBI.
- iv) The Committee shall approve or reject the changes and notify the calculation agent of its decisions not later than the Wednesday following the first Friday of the rebalancing month.
- v) Not later than the Wednesday following the first Friday of the rebalancing month, the Index Committee or its designee will issue a press release announcing additions and deletions to EIBI. The press release will be posted on the EIBI web site. (Announcement date.)
- vi) The Calculation Agent will provide final share weights to the Committee or its designee on the second Friday of the rebalancing month. Weights will be based on prices as of the close of trading on the preceding Thursday, or the Thursday prior to the second Friday of the rebalancing month.
- vii) The EIBI Index Committee or its designee will approve the final share weights prior to the close of US markets on the second Friday.
- viii) The Calculation Agent will distribute final share weights to all approved parties via email and FTP after the close of US markets on the second Friday.
- ix) The effective date of the rebalancing will be the third Friday of the rebalancing month. The Calculation Agent will post all final rebalancing data and information on its FTP server on the second Friday of the rebalancing month barring the Index Committee Approval.
- x) EIBI will post all rebalancing data on its website prior to the open on the next business day following the rebalancing date.

#### **VIII. Calculation of Index Values**

- i) The Calculation Agent will calculate price-only index values using price data on each reported trade it receives on each component security.
- ii) The Calculation Agent will distribute index values to vendors at set 15-second intervals.
- iii) The index calculations will start at 18:00 (EST - US) for the next trading day (opening price). At that time, the indexes will begin changing as new prices or exchange rates are processed.
- iv) Index calculation will cease each trading day at 17:00 (EST-US) and official summaries will be disseminated between 17:00 (EST-US) and 19:00 (EST-US) (closing price).

- v) Each week, the Indexes will be calculated starting Sunday night at 18:00 through Friday night at 17:00.
- vi) If, during periods when the indexes are calculated, one or more markets are closed, the index calculation will continue using the last closing price, adjusted for latest FX rates, for those stocks that trade on the closed exchange(s).
- vii) Stocks denominated in foreign currencies will be converted to USD with each reported price using exchange rates derived from Reuters. Official closing prices for the Indexes will be calculated using the WM Rates (4PM London fixing).
- vii) The Indexes will be calculated and disseminated in USD and EUR.
- viii) The Calculation Agent will also calculate daily index values on a total return basis.
- ix) The Calculation Agent will distribute total return index values to vendors immediately following the close of trading on US stock markets on each business day.
- x) If, during periods when the index is calculated, one or more markets are closed, the index calculation will continue using the previous day's last closing price for those stocks that trade on the closed exchange(s).
- vii) Stocks denominated in foreign currencies will be converted to USD using exchange rates derived from Reuters. Official closing prices for the indexes will be calculated using the WM Rates (4PM London fixing).
- viii) The indexes will also be calculated and disseminated in USD and EUR using Luxembourg Dividend Tax Rates to calculate net total return.

## IX. Dissemination

Index values are disseminated in US dollars and Euro via Chicago Mercantile Exchange using the following tickers:

| <u>Index</u>                                     | <u>Ticker</u> |
|--------------------------------------------------|---------------|
| S-Network Emerging Infrastructure Builders Index | EIBI          |
| In Euro                                          | EIBIE         |
| USD Total Return                                 | EIBIT         |
| Euro Total Return                                | EIBIET        |

Values for the price only indexes are distributed in "real-time," that is, in 15-second snapshots, starting at approximately 6:30PM (EST) on Sunday through approximately 4:30 PM (EST) the next day. The following day's price calculation resumes at approximately 6:30PM (EST). Index values are not calculated from 4:30PM on each Friday through 6:30PM (EST) on each Sunday.



## X. Ongoing Maintenance

- i) In addition to the scheduled quarterly reviews, EIBI is reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as delisting, bankruptcy, mergers or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. **A rebalance of the index affected by these events will be at the discretion of the Index Committee in the event a significant component affected.** Whenever possible, the changes in the index's components will be announced at least two business days prior to their implementation date.
- ii) Changes of Eligible Securities. In the event that a component no longer meets the eligibility requirements described in Section V herein, it will be removed from the index on the effective date of the next rebalancing.
- iii) Changes of Industry Classification. Companies are eligible for inclusion in the EIBI based on the revenues received from its applicable business segment. Mergers, takeovers, and spin-offs, as well as organic growth in a company's business segments, may cause a company to lose its eligibility. In such a circumstance, the company will be deleted from the index on the effective date of the next rebalancing. A company's classification may also require an immediate change as the result of a special event such as a merger, takeover or spin-off.
- iv) Splits and Spin-offs. If an index constituent splits or spins off a portion of its business to form one or more new companies, all of the companies involved in the spin-off will be immediately included in the EIBI Universe of candidate stocks, if they would otherwise qualify for membership.
- v) Mergers. If two index constituents merge, their component positions will be replaced by the surviving company immediately. The Calculation Agent will adjust the float-adjusted shares outstanding for the surviving company to reflect the changes in both its total shares and any float blocks, regardless of the percentage changes in the survivor. If an index constituent merges with a non-component company, its component position will be replaced by the new company, if the new company meets all eligibility criteria described in Section IV herein. In the event of mergers of equals, the combined trading history of the predecessor companies shall be used for evaluation.
- vi) Takeovers. If an index component is taken over by another component company, the former will be removed from the index immediately upon completion of the takeover. If an index component is taken over by a non-component company, it will be replaced by the acquiring company immediately, if the acquiring company meets all the eligibility criteria described in Section IV herein.

- vii) Share Offerings, Tenders and Purchases. All Share Offerings, Tenders and Purchases that result in an increase of shares will be held constant and will be implemented at the quarterly review.
- viii) Removal of Companies Due to Delisting, Bankruptcy or Extreme Financial Distress. If an index constituent is de-listed by its primary market, or is in bankruptcy proceedings, it will be removed from the index.
  - \* If an index component is de-listed by its primary market due to failure to meet financial or regulatory requirements, it will be removed from the index.
  - \* If an index component enters bankruptcy proceedings, it will be removed from the index and will remain ineligible for re-inclusion until it has emerged from bankruptcy. However, the Committee may, following a review of the bankrupt company and the issues involved in the filing, decide to keep the company in the index.
  - \* The Committee may, at its discretion, remove a company it has determined to be in extreme financial distress from the EIBI, if the Committee deems the removal necessary to protect the integrity of the index and the interests of investors in products linked to the index.
- ix) Pricing of Stocks in Extreme Financial Distress for Index Maintenance.
  - \* When a stock is suspended from trading due to financial distress and subsequently de-listed by its primary market prior to resumption of trading, the Calculation Agent will use the best-available alternate pricing source to determine the value at which the company should be removed from the index.
  - \* If the stock's primary market price is no longer available due to its suspension or de-listing, a current price from another exchange, such as a regional or electronic marketplace, may be used. In the absence of those prices in the case of U.S. securities, OTC Bulletin Board, OTC Equity (non-OTCBB stocks), and Pink Sheet traded prices could be applied in that order.
  - \* If neither a traded price nor a bid/asked range is available, the Committee will evaluate the status of the suspended stock. The Committee may consult with managers of portfolios linked to indexes in which the stock is a constituent in determining the value of the stock. If the Committee concludes that the security has become worthless or is likely to remain too illiquid to be traded, it will be removed from the index at .01 local currency of the stock.

## **XI. Float Adjustment**

All stock issues in the index are assigned a float factor, ranging from 0 and 1, which accounts for publicly available and freely traded shares of the company.

Three types of shareholders whose holdings are considered to be control blocks are subject to float adjustment:

1. Holdings by other publicly traded corporations, venture capital firms, private equity firms/strategic partners or leveraged buy-out groups;
2. Holdings by government entities, including all levels of government (restricted only to governments of domestic listing markets);
3. Holdings by current or former officers and directors of the company, founders of the company, or family trusts of officers, directors or founders. Secondly, holdings of trusts, foundations, pension funds, employee stock ownership plans or other investment vehicles associated with and controlled by the company.

The holdings within each group form a cumulative total. In cases where holdings in a group exceed 5% of the outstanding shares of a company, the holdings of that cumulative group will be excluded from the float-adjusted count of shares to be used in index calculations. Holdings under 5% will only be taken into account if they belong to clearly related shareholders like family members or board members.

Additionally, statutory limits on foreign ownership are recognized and applied where necessary.

Float factors are sourced through Standard & Poor's Custom Indexes. In the event Standard & Poor's Custom Indexes does not provide float data on a specific index constituent, a recognized publicly available source is used.

The Index Committee may review float data on a periodic basis and may conduct its own review of individual float factors it deems inconsistent with other publicly available float calculations and, in certain instances, may adjust the float factor used.

## **XII. Calculation and Adjustments**

### **i) Input Data Sources**

\* Real-time stock prices are provided by Reuters. The latest trading price is used for index calculation.

\* The number of shares is determined separately for each class of stock. This information is obtained from regulatory filings and a variety of data vendors. The data also may be sourced from the companies themselves.

\* Corporate actions are sourced from public news services, regulatory filings and data vendors. The companies themselves may be used as an additional source.

\* Float data are obtained from a variety of sources including data vendors, exchanges, regulators and the companies themselves.

### **ii) Index Formula.** The index is calculated using a Laspeyres formula. This formula is used for the calculation of the return index and the price index. The only difference is that the divisor $D_t$ is different for the two indexes (return index and price index).

The index is computed as follows:

$$\text{Index}_t = \frac{\sum_{i=1}^n (p_{it} \times q_{it} \times r_{it} \times f_{it})}{C_t \times \sum_{i=1}^n (p_{i0} \times q_{i0} \times r_{i0} \times f_{i0})} \times \text{Base Index Value} = \frac{M_t}{B_t} \times \text{Base Index Value}$$

The above mentioned formula can be simplified as:  $\text{Index}_t = \frac{M_t}{D_t}$

Where:

$$D_t = \frac{B_t}{\text{base index value}} = \text{divisor at time (t)}$$

$n$  = the number of stocks in the index

$p_{i0}$  = the closing price of stock  $i$  at the base date

$q_{i0}$  = the number of shares of company  $i$  at the base date

$r_{i0}$  = the exchange rate from local currency to USD at the base date

$f_{i0}$  = the float factor of company  $i$  at the base date

$p_{it}$  = the price of stock  $i$  at time ( $t$ )

$q_{it}$  = the number of shares of company  $i$  at time ( $t$ )

$r_{it}$  = the exchange rate from local currency to USD at time ( $t$ )

$f_{it}$  = the float factor of company  $i$  at time ( $t$ )

$C_t$  = the adjustment factor for the base date market capitalization

$t$  = the time the index is computed

$M_t$  = market capitalization of the index at time ( $t$ )

$B_t$  = adjusted base date market capitalization of the index at time ( $t$ )

Dividend payments are not taken into account in the price indexes, whereas dividend payments are reinvested in the index samples of the total return indexes.

- iii) Divisor Adjustments. Corporate actions affect the share capital of component stocks and therefore trigger increases or decreases in the index. To avoid distortion, the divisor of the index is adjusted accordingly.
- iv) Changes in the index's market capitalization due to changes in the composition (additions, deletions or replacements), weighting (following quarterly reviews or changes of more than 10% in a single component's share number) or corporate actions (mergers, spin-offs, rights offerings, repurchase of shares, public offerings, return of capital, or special cash or stock distributions of other stocks) result in a divisor change to maintain the index's continuity. By adjusting the divisor, the index value retains its continuity before and after the event. For rights offerings, the Calculation Agent will price the rights during the subscription period, not before or after.

Alternatively, the Calculation Agent may start pricing the rights after the ex date and before the subscription period, under the condition that the rights are priced daily.

\* Formulae for Divisor Adjustment. The following formulae will be used for divisor adjustments. (Note: No divisor adjustments are necessary for stock splits, since market capitalization does not change and the share number and share price are adjusted prior to the opening of trading on the split's ex-date.)

$$D_{t+1} = D_t \times \frac{\sum (p_{it} \times q_{it} \times r_{it} \times f_{it}) \pm \Delta MC_{t+1}}{\sum (p_{it} \times q_{it} \times r_{it} \times f_{it})}$$

Where:

- $D_t$  = divisor at time (t)
- $D_{t+1}$  = divisor at time (t+1)
- $p_{it}$  = stock price of company i at time (t)
- $q_{it}$  = number of shares of company i at time (t)
- $r_{it}$  = the exchange rate from local currency to USD at time (t)
- $f_{it}$  = the float factor of company i at time (t)
- $\Delta MC_{t+1}$  = add new components' market capitalization and adjusted market capitalization (calculated with adjusted closing prices and shares effective at time t+1 and/or minus market capitalization of companies to be deleted (calculated with closing prices and shares at time t)

Note: If the current trading price of an issue is unavailable, the previous trading session's closing price is used. However, if the issue is affected by any corporate action that requires an adjustment, then the adjusted price is used.

\* Adjustments for Corporate Actions. An index divisor may decrease (▼) or increase (▲) or keep constant (■) when corporate actions occur for a component stock. Assuming shareholders receive "B" new shares for every "A" share held for the following corporate actions:

- ▼ A) CASH DIVIDEND (applied for return index only)  
adjusted price = closing price - dividend announced by the company
- ▼ B) SPECIAL CASH DIVIDEND (applied for price and return index)  
adjusted price = closing price - dividend announced by the company
- C) SPLIT AND REVERSE SPLIT  
adjusted price = closing price \* A / B  
new number of shares = old number of shares \* B / A
- D) RIGHTS OFFERING

adjusted price = (closing price \* A + subscription price \* B) / (A + B) new  
number of shares = old number of shares \* (A + B) / A

■ E) STOCK DIVIDEND

adjusted price = closing price \* A / (A + B) new number of shares = old  
number of shares \* (A + B) / A

▼ F) STOCK DIVIDEND OF A DIFFERENT COMPANY SECURITY

adjusted price = (closing price \* A - price of the different company security \*  
B) / A

▼ G) RETURN OF CAPITAL AND SHARE CONSOLIDATION

adjusted price = (closing price - dividend announced by company) \* A / B new  
number of shares = old number of shares \* B / A

▼ H) REPURCHASE SHARES-SELF TENDER

adjusted price = [(price before tender \* old number of shares) - (tender price \*  
number of tendered shares)] / (old number of shares - number of tendered  
shares)

new number of shares = old number of shares - number of tendered shares

▼ I) SPIN-OFF

adjusted price = (closing price \* A - price of spun-off shares \* B) / A

▲ J) COMBINATION STOCK DISTRIBUTION (DIVIDEND OR SPLIT) AND RIGHTS OFFERING

Shareholders receive B new shares from the distribution and C new shares  
from the rights offering for every A shares held:

\* If rights are applicable after stock distribution (one action applicable  
to other). adjusted price = [closing price \* A + subscription price \* C \*  
(1 + B / A)] / [(A + B) \* (1 + C / A)] new number of shares = old  
number of shares \* [(A + B) \* (1 + C / A)] / A

\* If stock distribution is applicable after rights (one action applicable  
to other). adjusted price = [closing price \* A + subscription price \* C] /  
[(A + C) \* (1 + B / A)] new number of shares = old number of shares \*  
[(A + C) \* (1 + B / A)]

▲ K) STOCK DISTRIBUTION AND RIGHTS (NEITHER ACTION IS  
APPLICABLE TO THE OTHER) adjusted price = [closing price \* A +  
subscription price \* C] / [A + B + C] new number of shares = old number of  
shares \* [A + B + C]

- v) Computational Precision. Index values are rounded to two decimal places  
and divisors are rounded to integers. Any values derived by the index  
calculation engine from a corporate action used for the divisor adjustments  
and index computations are rounded to seven decimal places.

### **XIII. Data Correction Policy**

To maintain a high standard of data integrity, a series of procedures have been implemented to ensure accuracy, timeliness and consistency. Input prices are monitored using a variety of computerized range-check warning systems for both ticker-plant and real-time index systems. Fault tolerant methods are employed in the collection of market and corporate action data. Various verification and audit tasks are performed to ensure the quality of the real-time data feeds and related market data. While every effort is taken to ensure the accuracy of the information used for the index calculation, an index error may occur due to incorrect or missing data, including trading prices, exchange rates, shares outstanding and corporate actions, due to operational errors or other reasons.

- i) **Intraday Corrections.** Reasonable efforts are employed to prevent erroneous data from affecting the indexes. Corrections will be made for bad prices and incorrect or missing corporate actions as soon as possible after detection.
- ii) Since the indexes are calculated on a real-time basis, an incorrect index value tick will not be fixed retroactively. Incorrect daily high/low index values will be corrected as soon as practicable.
- iii) **Index-Related Data and Divisor Corrections.** Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within five days of its occurrence, will always be fixed on the day it is discovered to prevent an error from being carried forward.
- iv) If a divisor error is discovered more than five days after occurrence, the adjustment will depend upon how significant the error is, how far back the error occurred and the feasibility of performing the adjustment.

### **XIV. APPENDIX REVIEW SCHEDULE**

Constituent Changes

Frequency: Quarterly

Effective date: The Wednesday after the 1st Friday of that month

Advance notice: Approximately 2 weeks

Quarterly Review

Frequency: Quarterly

Effective date: The Monday after the 3rd Friday of that month

Advance notice: At least two business days

News Notification\*

Frequency: As needed

Effective date: As announced

Advance notice: At least two business days whenever possible

\* Includes events such as de-listings, mergers, bankruptcies and other extraordinary events.

\* Based on available news.

**XV. APPENDIX A: List of Approved Exchanges**

| EXCHANGE        | COUNTRY          |
|-----------------|------------------|
| ASE             | AUSTRALIA        |
| ASX             | AUSTRALIA        |
| Australian      | AUSTRALIA        |
| Vienna          | AUSTRIA          |
| EN Brussels     | BELGIUM          |
| Euron. Brussels | BELGIUM          |
| Sao Paulo       | BRAZIL           |
| Toronto         | CANADA           |
| Sant. Comerc    | CHILE            |
| Sant. Elec      | CHILE            |
| SANTIAGO        | CHILE            |
| Hong Kong       | CHINA            |
| Shanghai        | CHINA            |
| Shenzen         | CHINA            |
| Shenzhen        | CHINA            |
| Singapore       | CHINA            |
| Prague          | CZECH REPUBLIC   |
| Prague-SPAD     | CZECH REPUBLIC   |
| Copenhagen      | DENMARK          |
| Reykjavik       | DENMARK          |
| Cairo           | EGYPT            |
| Egypt (EGX)     | EGYPT, ARAB REP. |
| Tallin          | ESTONIA          |
| Tallinn         | ESTONIA          |
| Helsinki        | FINLAND          |
| EN Paris        | FRANCE           |
| Euronext Paris  | FRANCE           |
| Berlin          | GERMANY          |
| Dusseldorf      | GERMANY          |
| Frankfurt       | GERMANY          |
| Munich          | GERMANY          |
| Athens          | GREECE           |
| Hong Kong       | Hong Kong        |
| NASDAQ CM       | HONG KONG        |
| Budapest        | HUNGARY          |
| Indonesia       | INDONESIA        |
| Indonesia SE    | INDONESIA        |
| Dublin          | IRELAND          |
| Tel Aviv        | ISRAEL           |
| Brsaltaliana    | ITALY            |
| Milan           | ITALY            |
| Fukuoka         | JAPAN            |
| Jasdaq          | JAPAN            |
| Nagoya          | JAPAN            |
| Osaka           | JAPAN            |

| EXCHANGE         | COUNTRY        |
|------------------|----------------|
| Tokyo            | JAPAN          |
| KO               | Korea, Rep.    |
| Luxembourg       | LUXEMBOURG     |
| Bursa Malays     | MALAYSIA       |
| Bursa Malaysia   | MALAYSIA       |
| Kuala Lumpur     | MALAYSIA       |
| Malaysia ACE Mkt | MALAYSIA       |
| Mexico           | MEXICO         |
| Mexico City      | MEXICO         |
| EN Amsterdam     | NETHERLANDS    |
| Euron. Amsterdam | NETHERLANDS    |
| New Zealand      | NEW ZEALAND    |
| NZX              | NEW ZEALAND    |
| Oslo             | NORWAY         |
| Philippine SE    | PHILIPPINES    |
| Philippines      | PHILIPPINES    |
| Warsaw           | POLAND         |
| Warsaw Continuou | POLAND         |
| EN Lisbon        | PORTUGAL       |
| Euronext Lisbon  | PORTUGAL       |
| Catalist         | SINGAPORE      |
| Johannesburg     | SOUTH AFRICA   |
| Lagos            | SOUTH AFRICA   |
| Korea            | SOUTH KOREA    |
| Korea SE         | SOUTH KOREA    |
| KOSDAQ           | SOUTH KOREA    |
| Continuous       | SPAIN          |
| Madrid           | SPAIN          |
| Madrid-SIBE      | SPAIN          |
| Nordic GM        | SWEDEN         |
| Stockholm        | SWEDEN         |
| SIX Swiss        | SWITZERLAND    |
| SIX Swiss Ex     | SWITZERLAND    |
| Taiwan           | TAIWAN         |
| Istanbul         | TURKEY         |
| London           | UNITED KINGDOM |
| LONDON INTL      | UNITED KINGDOM |
| London Plus Mkt  | UNITED KINGDOM |
| Nasdaq           | UNITED STATES  |
| NASDAQ GM        | UNITED STATES  |
| NASDAQ GS        | UNITED STATES  |
| New York         | UNITED STATES  |
| NYSE Amex        | UNITED STATES  |
| NYSE ARCA        | UNITED STATES  |
|                  |                |