TILT PRO

General Index Methodology

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INTRODUCTION

This General Index Methodology describes the general Index calculation methodology for the construction of all equity Indices by Agora Intelligence Inc. (d.b.a. Tilt) ("**Agora**"). It is the objective of this General Index Methodology to define a general framework of applicability that can be referenced by Agora's individual Index Guidelines for a specific index. Therefore, the policies and procedures contained in this General Index Methodology apply to all securities in all Agora individual Indices, unless otherwise stated in an individual Index Guidelines.

Agora is committed to the highest standards of integrity and professionalism, which are reflected by a transparent and replicable Index design and calculation methodology. Agora's overall framework for designing and governance of Indices is based on the principles of the International Organization of Securities Commissions with further reference to the EU Benchmarks Regulation (Regulation (EU) 2016/1011). In its design of its General Index Methodology, Agora sought to promote policies and procedures that will result in Indices that will be:

- robust and reliable
- rigorous and continuous

- traceable and verifiable
- resilient
- responsive to Corporate Events

Each Agora Index will have an individual Index Guidelines that describes an Index's unique specifications such as:

- Index Theme and Constituents
- Index Weighting and Concentration Limits
- Index Rebalancing and Calculation frequencies.

This General Index Methodology covers general concepts that apply to all Agora Indices, such as Index formulas, adjustments to the formulas, the Index maintenance process and impact of Corporate Events such as Mergers and Dividends on Agora Indices. A specific customized Index may require distinctive rules on an Index's set up and maintenance, which will be described in the applicable Index Guideline. In the event of a conflict between an Index Guidelines and this General Index Methodology, the Index Guidelines shall govern.

Agora's General Index Methodology is designed to be as comprehensive and transparent as possible and aligned with above referenced global principles and best practices. However, Agora retains the right to deviate from the policies and procedures described in this General Index Methodology in the case of any unusual or complex corporate event, force majeure action or similar event or issue that may not be properly contemplated or envisioned by this General Index Methodology.

TERMS AND DEFINITIONS

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

"Acquisition" means the acquisition by an acquirer of a controlling interest in an acquired company, where typically the acquired company subsequently ceases to exist as an independent entity.

"Adjustment Date" means the day on which an Index Rebalance takes place.

"ADR" means an acronym for American Depository Receipt, i.e. a Depository Receipt issued by an American bank.

"Business Day" means a day on which the relevant Exchange is open for trading. If the context does not mention a specific Exchange, the New York Stock Exchange shall be the relevant Exchange.

“Capital Decrease" means when a company buys back shares from its shareholders, often at a premium. It is a way to invest excess earnings or to modify the shareholder structure strategically, leading to a decrease in the Market Capitalization.

"Cash Dividend" means when a company pays an amount of cash to its shareholders. This is generally decided by the general assembly of shareholders and carried out on a pro-rata-basis.

"Cash Terms" means in respect of an M&A Event that only cash consideration is offered in exchange for each acquired entity's share.

"Cash and Stock Terms" means in respect of an M&A Event that both cash and stock consideration (a defined amount of shares of the acquiring company plus cash) is offered in exchange for each acquired entity's share.

"Corporate Event" means specifically:

- a Dividend (cash or stock);
- a Stock Split (including a Reverse Stock Split)
- a Rights Issue;
- a Capital Decrease;
- a Spin-off;
- a M&A Event;
- a Suspension;
- a Delisting; or
- a Bankruptcy, Insolvency or Liquidation

"Deal Terms" mean the value of the explicitly defined Cash Terms, Stock Terms (Number of new shares of the Acquiring Company * Closing Price of the Acquiring company), or "Cash and Stock Terms, to be received per share of the target company converted to the currency of the target instrument.

"Delisting" means if the Exchange announces, pursuant to the Exchange regulations, that the listing of, the trading in or the issuing of public quotes on the Index Component at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided the Delisting is not because of an M&A Event), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system.

"Depository Receipt" means a certificate on a share issued by a financial institution. The banks purchase and hold shares of a company in the country where it is listed and issue certificates granting particular rights to the underlying shares. The precise legal construction may vary depending on the jurisdiction. The certificates are subsequently publicly tradable and are often listed on Exchanges, thus enabling domestic investors to invest in foreign equities.

“Dividend(s)” means a Cash Dividend or a Stock Dividend.

"Effective Day" means the Index Calculation Day following the Adjustment Day.

"Exchange" means the respective primary exchange where an Index Component has its primary listing. Agora may decide to declare a different Exchange the Exchange for trading reasons, even if an Index Component is only listed there via a stock substitute.

"Fixing Day" means as the day on which the Number of Shares of the Future Index Components are calculated.

"Free Float Factor" means with regard to a share is a ratio of (A) the Number of Shares in circulation in the open market (not held by insiders or affiliates) and (B) the Number of Shares outstanding of the respective company.

"Free Float Market Capitalization" means with regard to a share is its Market Capitalization multiplied by the ratio of (A) the number of shares in circulation and (B) the number of shares outstanding of the respective company.

“Future Index Component” means a security which has been selected to be part of the Index after an Adjustment Date.

"GDR" means Global Depository Receipt, i.e. a Depository Receipt issued by any bank other than an American bank. In some contexts, GDR is also understood to refer to a German Depository Receipt.

"Index" (or "Indices") means a number describing the average value of its Index Components and their development over a longer time period.

"Index Calculation Parameters" means all inputs used in the calculation of an Index Level.

"Index Component" means an individual security that is included in the respective Index. An Index is composed of multiple “Index Components”.

"Index Composition" means each Index Component included in an Index, detailing the Number of Shares for each Index Component.

"Index Guidelines" means a document ruling the Index Composition, calculation and maintenance of an Index.

“Index Level” means the value of an Index that is calculated using the Index Calculation Parameters.

“Index Review" means the assessment of an Index to determine the Index Composition based on the criteria defined in the respective Index Guidelines.

"Index Rebalance" means the adjustment of an Index to implement the Index Composition dictated by the respective Index Guidelines.

“M&A Event” means a corporate transaction that involves a Merger or an Acquisition, which involve the combination of two or more companies by mutually agreement or by a tender offer.

"Market Capitalization" means regard to a share is the value of the issuing company calculated by multiplying the number of outstanding company shares by their share price.

“Merger” means the fusion of two or more separate companies into one entity where the two prior companies cease to exist.

"Number of Shares" means in respect of an Index Component and any given Business Day, the number of shares included in an Index, including any fractional shares.

“PAF” means a price adjustment factor that is applied in response to certain Corporate Events, adjusting the close price of the stock with the Corporate action event one day prior to the ex-date and the theoretical stock price after the Corporate Event.

"Regular Dividend" means cash distributions paid in regular intervals, such as once every month or, more commonly, on a quarterly basis, depending on the pattern previously established by the individual company or as is common practice in the respective jurisdiction (cf. Cash Distribution).

"Reverse Stock Split" means when the existing shares are withdrawn from the shareholders and replaced by newly issued shares. The actual Market Capitalization of a company remains untouched, yet the total number of issued shares is reduced by a given factor, usually 2-for-1 or 3-for-1, and the nominal value of a single share is increased accordingly.

"Rights Issue" means actions raising the Market Capitalization of a company, often facilitated by issuing new shares. Existing shareholders may usually acquire the newly issued shares at a slight discount thus retaining their existing percentage of the free float.

"Selection Day" means the day as of which the Index is reviewed based on the selection criteria described in the Index Guidelines and on which basis the Future Index Components are selected.

“Share Adjustment Ratio or SAR” means the ratio between the Index Level as of the Adjustment Date using the indicative Number of Shares and the existing Index Level on the Adjustment Date using the Number of Shares before any adjustment.

"Special Dividend" means any cash distribution that falls outside the general pattern of Regular Dividend payments, either with regard to its timing or the amount paid out to shareholders.

"Stock Split" means a Corporate Event through which a company's present shares are split and therefore multiplied by a given factor. The newly issued shares are distributed based on what is known as a split ratio, often 2-for-1 or 3-for-1, thus doubling or tripling the total amount of shares and the number of shares held by each shareholder. The stock price decreases proportionally.

"Spin-off" means if the issuer of the shares that are currently Index Components splits its business activities into two or more entities and distributes equity shares in the newly created entities to the shareholders of the parent (i.e. status before the Spin-off took place) entity.

"Stock Dividend" means when the shareholders receive shares pro-rata by the company instead of cash as with a Cash Dividend. Usually this involves the issuing of new shares.

"Stock Terms" means in respect of an M&A event that only stock consideration (a defined amount of shares of the acquiring company) is offered in exchange for each acquired entity's share.

"Target Weight" means the portion of an Index Component in the Index which is to be used for the calculation of the Number of Shares / Total Shares on the Adjustment Date.

"Total Shares" means the number of shares included in an Index on any given Business Day.

"Trading Day" means a trading day on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. Agora AG is ultimately responsible as to whether a certain day is a Trading Day with regard to an Index Component or in any other connection relating to this document, the Index Guidelines or an Index term sheet.

"Trading Price" means the last available market price for this Index Component quoted on the Exchange on the day a particular event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by Agora), as determined by Agora. This price is used as the Trading Price of the particular Index Component until the end of the day on which the Index Composition is next set.

"Weighting Cap Factor" means a factor defining the relative weight of an Index Component to the Index Market Capitalization.

SYMBOLS VARIABLE GLOSSARY

$adjP_P$ Corporate Event adjusted close price parent company at ex-date -1

aS Adjusted Total Number of Shares

ap Adjusted Price

aw Adjusted Weight

ax Adjusted Number of Shares

d Dividend Amount

f Foreign Exchange Rate

fx_P Exchange rate parent instrument's currency into index currency at ex-date -1

fx_S Exchange rate spin-off instrument's currency into index currency at ex-date -1

FFF Free Float Factor

i = 1, 2, $\ldots$ N Count for Index Members

$Index$ Index Level

IN Indicative

n Number of Index Components on Business Day t

m Number of Index Components on Business Day t+1

$MCAP$ Index Market Capitalization

p Price of Index Component

P_P Open price parent company at ex-date

P_S Open price spin-off company at ex-date

PAF Price Adjustment Factor

S Total Number of Shares of the Index Component

SAR Share Adjustment Ratio

SP Subscription Price

T Issue Terms/ Spin-off Terms

TG Target

TGW Index Target Weights after Rebalance

w Withholding Tax Rate

WCF Weighting Cap Factor

x Number of Shares of the Index Component

ω_P Old target weight of the parent company

ω_S Old target weight of the spin-off company

INDEX TYPE AND CALCULATION FORMULA

This section describes the type of Indices that Agora designs, it Index Level calculation formulas and how they are applied and the rounding conventions that Agora uses in its calculation formulas.

Index Type

Agora's Indices are designed as Gross Total Return Indices. A Gross Total Return Index seeks to replicate the overall return from holding a portfolio consisting of Index Components. A Gross Total Return Index reinvests any cash distributions made in respect of the Index Components into the respective Index Component, such as Dividends, without the deduction of any standard withholding tax or other amounts to which an investor holding the Index Components would be exposed.

Index Level Calculation Formula

As a general principle, an Agora Index Level is calculated by summing the value of all Individual Components in an Index. An Individual Component's value is the product of (n) the Number of Shares multiplied by (p) its stock price multiplied by (f) any applicable foreign exchange rate (f).

$$Index_t = \sum_{i=1}^{n} x_{i,t} * p_{i,t} * f_{i,t}$$

Each Individual Index Guidelines shall set forth the frequency for updating an Index Level.

In the calculation of the daily closing levels of an Index, the official close price of the respective Index Component on the respective Exchange is used. If an Exchange does not provide an official closing price for an Index Component on a particular day, the Index is calculated with the last price available. If an Exchange does not generally publish official closing prices, Agora will apply a price collection mechanism that ensures tradability and representativeness of its Indices.

Rounding Convention

Agora calculates its Indices in accordance with the following rounding convention unless otherwise specified in an Index Guidelines:

1. Index Level: two decimal places
2. Prices of Index Components: two decimal places
3. Foreign exchange rates: six decimal places
4. Number of Shares of an Index Component in an Index: six decimal places
5. PAF: six decimal places

ORDINARY INDEX REVIEW AND REBALANCE

Ordinary Index Review

In order to ensure the validity of the Index Composition, Agora reviews each Index with a pre-defined frequency. The Index Guidelines for a particular Index will describe the schedule of the Index Review and, if applicable, an Index Rebalance for that Index. An Index Review may result in an Index Rebalance that triggers a change in the Index Composition as well as the Index Calculation Parameters of the Index.

In order to ensure an Index's objective and reliability, during an Index Review, Agora evaluations the Index Composition, taking into account the specific, theme, market, sector, or investment strategy, and over time, changes in stock prices, or shifts in market conditions can cause the weights of individual Index Components to drift away from their target proportions. As a result of an Index Review, Agora may:

- Rebalance the Index as described below under *Rebalancing Methodology*;
- Postpone the Rebalancing Day for up to one month, provided that the next Index Review is scheduled later than one month from affected Index Review;
- Omit the scheduled Index Review, provided that the next scheduled Index Review will take place not later than 6 months from the affected Index Review; or
- Terminate the Index, provided that, in the opinion of Agora, none of the aforementioned options are adequate to maintain the Index and such termination is announced at least 30 days in advance.

Agora shall seek to provide for an announcement period that provides sufficient time for potential adjustments that users of the Index may need to take into account for such an event and measures taken by Agora in response to such event.

Ordinary Rebalance of an Index Composition

Following the Index Review of an Index, Agora may determine that an Index Rebalance should be done. Agora will rebalance the Index Composition of an Index based on the Index Guidelines at the predefined Adjustment Date. For an Index Rebalance of an Index Composition, Agora uses a share-fixing rebalancing methodology, which contains two steps to calculate the adjusted Number of Shares for each Index Component in the Index Composition after the Index Rebalance.

Step One of Share-Fixing Rebalancing Methodology

In the first step, the indicative Number of Shares of each Index Component is calculated based on the market data as of the Fixing Day.

$$x^{IN}_{i,Fixing\ Day+1} = \frac{Index^{Close}_{Fixing\ Day} * TGW_i}{p_{i,Fixing\ Day} * f_{i,Fixing\ Day}}$$

Step Two of Share-Fixing Rebalancing Methodology

In the second step, the indicative Number of Shares is adjusted by the Share Adjustment Ratio (SAR below in the formula) to calculate the final Number of Shares after the Index Rebalance. The SAR is the ratio between the Index Level as of the Adjustment Date using the indicative Number of Shares and the Index Level on the Adjustment Date.

$$SAR_t = \frac{Index^{Close}_t}{\sum_{i=1}^{n} x^{IN}_{i,Selection\ Day+1} * p_{i,t} * f_{i,t}}$$

$$x^{TG}_{i,t+1} = SAR_t * x^{IN}_{i,Selection\ Day+1}$$

The opening level of the Index after the Index Rebalance is determined in accordance with the following formula:

$$Index^{Open}_{t+1} = \sum_{i=1}^{n} x^{TG}_{i,t+1} * p_{i,t} * f_{i,t}$$

In the case that share changing Corporate Events (see *Extraordinary Corporate Events Resulting in Price Adjustments*) occur between the Selection Day and Adjustment Date for any Index Component after Index Rebalance, the indicative Number of the Shares in Step One is adjusted by the corresponding price adjustment factor on the specific day, in accordance to the Corporate Action terms.

EXTRAORDINARY CORPORATE EVENTS RESULTING IN PRICE ADJUSTMENTS

General Approach Regarding Extraordinary Corporate Events

For certain extraordinary Corporate Events taken by a company of an Index Component, Agora applies a PAF (price adjustment factor) at the security level to attempt to neutralize (at least partially) the potential price movement due to the Corporate Event and ensure that an Index truly reflects real market movements.

Agora’s PAF approach is designed to reflect how such Corporate Events are likely to be dealt with in investment portfolios to maintain the portfolio structure in line with the Index objective and the Index Guidelines and to minimize the trading activity required by Index users to match the Index composition and Index performance.

In this section, Agora describes standard Corporate Events that may result in it applying a PAF. These include:

- a Dividend (cash or stock);
- a Stock Split (including a Reverse Stock Split)
- a Rights Issue;
- a Capital Decrease;
- a Spin-off;
- a Merger;
- a Suspension
- a Delisting; or
- a Bankruptcy, Insolvency or Liquidation

All examples given to illustrate the application of a PAF to an Index are purely hypothetical and exclusively intended to convey Agora’s approach to assessing the impact of a Corporate Event on an Index. No rights can be derived from these examples in any way about their correctness or applicability to specific cases. For a Corporate Event, if there are multiple terms available, or if a selection action is required by the shareholder, Agora will implement the default treatment, as defined by Agora based on the company announcement, wherever possible. If the terms are variable, Agora will analyze and implement, if practical, a calculated value to match the effective date rather than wait for exact terms to be declared.

Agora may apply discretion to make decisions on the most appropriate implementation method for Corporate Events not described in this General Index Methodology or combinations of different types of Corporate Events and other exceptional cases. Such exceptional cases shall include, but are not limited to:

- Corporate Events that significantly decrease the impacted company's market capitalization;
- a strict application of this General Index Methodology results in inconsistency with the intention of an Index objective;
- a strict application of this General Index Methodology would jeopardize replicability or would incur disproportionately high replication costs.

Agora may consult with a range of Index users and market participants before deciding on the most appropriate implementation method, to ensure the replicability of the Index. The decisions of Agora shall be announced on its website prior to the adjustments becoming effective in the Indices.

For purposes of the formulas described below with respect to Corporate Events, it is assumed that t is the last Business Day prior to the ex-date whereas t+1 is the ex-date of the Corporate Event. If the details (ex-date, amount of distribution, terms of rights issue, etc.) of an event that may trigger an Index adjustment are not known prior to or on the ex-date, no Index adjustment is carried out. If an estimation of the details of a distribution from a reliable source exists (e.g., distributions by South Korean or Japanese companies), an Index adjustment may be carried out based on the estimation. Agora may decide differently on a case-by-case basis.

Dividends

A Dividend is a common way for a company to dispense accumulated profits and earnings to its shareholders. A company may opt to pay a Cash or Stock Dividend to its shareholders under consideration of several economic and financial factors. A variety of these distribution methods are described below as well as Argo's approach in any adjustment as a result of such a Corporate Event.

Cash Dividends and Other Cash Distributions

For the purpose of Index adjustment, Agora does not distinguish between the two cash dividend types: Cash Dividends and Special Dividends. The former refers to cash distributions usually paid in regular intervals and the latter designates all other dividend payments falling outside the normal pattern, which are often substantially larger than regular cash distributions and are usually non-recurring. In either case, as Agora Indices are all Gross Total Return Indices, Agora will reinvest any cash distributions made in respect of the Index Components into the Index, without the deduction of any standard withholding tax or other amounts to which an investor holding the Index Components would be exposed.

Adjustments Due To Cash Dividends and other Cash Distributions

Cash dividend payments and other cash distributions cause an adjustment in the Number of Shares because Agora assumes a reinvestment into the applicable Index Component. Due to the Dividend adjustment, the Number of Shares of the Index Component that has made a Cash increases by the PAF (the price adjustment factor).

The PAF is the relation between the close price of the stock with the Corporate action event one day prior to the ex-date and the theoretical stock price after the Corporate Event.

In respect of a Cash Dividend adjustment, the close price of Index Component paying the Cash Dividend one day prior to the Cash Dividend ex-date is divided by the theoretical stock price after the Cash Dividend.

$$PAF_{i,t+1} = \frac{p_{i,t}}{p_{i,t} - d_{i,t+1} * f_{i,t} * (1 - w_{i,t+1})}$$

The theoretical close price after Cash Dividend is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

The final Number of Shares after the implementation of the Cash Dividend is calculated by the multiplication of the Number of Shares on the dividend ex-date with the PAF.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

Depository Receipts Exceptions

Depository Receipts such as ADRs or GDRs are also treated differently and are considered an exception to the general implementation of any cash distribution either in the form of Cash Dividends or otherwise. Depository Receipts are certificates on shares.

Financial institutions holding shares of public companies in a separate deposit issue certificates on such shares that are subsequently tradable on Exchanges. While their valuation correlates to the underlying stocks" prices, Depository Receipts vary with respect to several characteristics, such as the fee payable to the issuing bank for its services. The main rationale behind such Depository Receipts is to open foreign equities to domestic investors, who can easily access these foreign company certificates on a local Exchange (e.g. ADRs listed on the New York Stock Exchange). Only the net values of the cash distributions of the Depository Receipts are considered.

Return of Capital

Return of capital payments that are paid to investors from their original investment but not paid from the company's net income are generally tax-exempt. These payments are applied in Indices as a special dividend and free of the withholding tax, unless the taxation practice is declared differently. When the return of capital payment shows a repetitive characteristic in terms of dividend amount and frequency, and the payment is made in lieu of a regular Cash Dividend, the dividend is considered an ordinary Cash Dividend.

Stock Dividends

A Stock Dividend refers to a Dividend paid to existing shareholders in the form of additional shares instead of a cash payment. In contrast to a Cash Dividend, the Stock Dividend paying company's liquidity reserves remain constant by issuing Stock Dividends in the form of additional shares. This liquidity can be held in the company or used for other investments. Additionally, the Stock Dividend has an advantage in terms of taxation, since the shareholder's Dividend gain typically is not subject to taxation until the newly issued shares are sold.

If a company issues a 4% Stock Dividend of newly issued shares pro-rata, the total amount of shares is increased by the Stock Dividend terms (T) of 4% while these additional shares are distributed among the shareholders accordingly. A shareholder will receive one newly issued share for every 25 shares the shareholder currently holds. However, at the same time, the value of a single share decreases proportionally because the Market Capitalization of the company remains the same, as does the value of the shareholder's portfolio.

The PAF for Stock Dividend is calculated as follows:

$$PAF_{i,t+1} = 1 + T$$

The theoretical close price after the Stock Dividend is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

The final Number of Shares of the impacted Index Component after the implementation of the Stock Dividend are calculated by the multiplication of the number of shares on the Stock Dividend ex-date with the adjustment factor.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

Since the shares in the Index for the impacted Index Component are increased by the PAF, the implementation of a Stock Dividend does not change an Index’s Market Capitalization.

Stock Split

A Stock Split is a corporate event through which a company's existing shares are split and therefore multiplied by a given factor. This split ratio (2-for-1 or 3-for-1), may double or triple the total amount of shares and the number of shares held by each shareholder. From a structural perspective, it resembles a Stock Dividend on a greater scale. In practice, the newly issued shares are distributed to existing shareholders pro-rata.

At the same time the company's Market Capitalization is not affected, its total value remains the same and the value of a single share decreases proportionally. It is this nominal depreciation, the share price's reduction by half or two-thirds, which is the objective of such an operation.

The concept and process of Reverse Stock Splits is similar to Stock Splits. The actual Market Capitalization of a company remains unchanged, yet the total number of issued shares is reduced by a given factor, again usually 1-for2 or 1-for-3, and the nominal value of a single share is increased accordingly.

The PAF for a Stock Split is calculated as follows:

$$PAF_{i,t+1} = T$$

Stock Split terms (T) is the relation between the Number of Shares in the impacted Index Component before the Stock Split and the Number of Shares that are received for each share held by an investor after the Stock Split. Consequently, T is greater than 1 in a Stock Split, whereas this relation is lower than 1 in a Reverse Stock Split.

The theoretical close price for the impacted Index Component after a Stock Split is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

The final Number of Shares of the impacted Index Component after the implementation of a Stock Split is calculated by the multiplication of the Number of Shares on the ex-date with the adjustment factor.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

Rights Issue

Unlike the events described above, the Rights Issue refers to a wider set of Corporate Events that may take a variety of forms. Typically in a Rights Issue, a company offers existing shareholders the right to purchase new shares, often at a cost below the current market price. This results in capital inflow to a company and free float-adjusted market capitalization of the applicable Index Component.

A Rights Issue raises the Market Capitalization of a company. A Rights Issue may have a diluting effect on the shareholder's existing shares as their individual number of shares remains the same while the total amount of stock increases.

Agora implements a Rights Issue only if the subscription price is lower than the stock's close price on the day before the ex-date.

The PAF for a Rights Issue is calculated as follows:

$$PAF_{i,t+1} = \frac{p_{i,t}}{\left(\frac{p_{i,t}+T*SP}{1+T}\right)}$$

The theoretical close price after a Rights Issue is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

The Number of Shares prior to the ex-date is increased with the PAF. Following that, a Rights Issue does not affect the Index Market Capitalization in a Standard Index.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

Capital Decrease

The opposite procedure to a Rights Issue which increases capital is a Capital Decrease. A company may offer its shareholders the option to sell their shares at an agreed price through partial tender offers or buyback offers. Regularly scheduled share repurchase programs are considered by Agora as part of its regularly scheduled Index Review.

To facilitate the buyback of larger quantities, companies often offer a fixed price with a moderate premium compared to the stock price. The repercussions to the stock price are complex and often depend on a set of additional factors.

Agora implements a Capital Decrease only if the subscription price is higher than the stock's close price on the day before the ex-date.

The PAF for a Capital Decrease is calculated as follows:

$$PAF_{i,t+1} = \frac{p_{i,t}}{\left(\frac{p_{i,t} - T*SP}{1-T}\right)}$$

The theoretical close price after a Capital Decrease is calculated as follows:

$$ap_{i,t+1} = \frac{p_{i,t}}{PAF_{i,t+1}}$$

The Number of Shares prior to the ex-date is decreased with the PAF. Following that, a Capital Decrease does not affect the Index Market Capitalization in a Standard Index.

$$ax_{i,t+1} = x_{i,t} * PAF_{i,t+1}$$

Spin-off

A Spin-off describes a procedure by which an existing company establishes a subsidiary or other company and confers some of its business activities to this newly established entity. Similarly, a company may distribute the assets it holds in a third company to its shareholders.

With reference to the Index calculation, an Index Component is subject to a Spin-off if the issuer of the shares ("Parent") distributes shares of one or multiple other companies to its own shareholders. Such a process has a direct impact on the Index Components, as assets of the parent company are transferred to another entity, which decreases the value of the parent company.

In the case of a Spin-off affecting an Index Component, the spin-off company will be treated as an extraordinary Dividend. The amount of this extraordinary Dividend will be calculated to reflect the value the Spun off company would have had in the Index if it had been added, and will be subjected to the same treatment as a Cash Dividend.

M&A Events

M&A Events are Mergers and Acquisitions that combine two or more companies achieved through a mutual agreement or a tender offer.

M&A Events can take the form of horizontal integration or vertical integration, with the first term describing the fusion of comparable companies active in the same field, and the latter the fusion of companies on different production levels to control a larger part of the value chain. As such, the underlying rationale for an M&A Event can vary, and the same holds true for its technical execution. An M&A Event is typically based on the consent of all parties and involves a multi-layered negotiation process.

With regard to Agora Indices and the impact on selection and calculation of Index Components, an M&A Event includes:

- a change in the security class or a conversion of the share class that results in a transfer or an ultimate definite obligation to transfer all the shares to another legal person;
- a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (except for shares that are held and controlled by the legal person)
- a binding obligation on the part of the issuer to exchange shares with another legal person, either by acquisition or through forming a new structure (except in a Merger or share exchange under which the issuer of the Index Component is the acquiring or remaining company and that does not involve a change in security class or a conversion of all the shares)

In the case an Index Component is subject to a M&A Event, the acquired entity (i.e. the target entity) will be removed from the Index on the effective date as announced by Agora. The Index is subject to further adjustments in accordance with the following cases.

- M&A event of an Index Component with or by another Index Component:
  - Cash Terms: the weight of the target company based on its last close price will be distributed pro-rata across the remaining Index Components.
  - Stock Terms: the shares of the acquiring / surviving company will be increased according to the stock terms.

  - Cash and Stock Terms: the cash portion will be reinvested pro-rata across the remaining Index Components. The shares of the acquiring / surviving company will be increased according to the stock terms.
- M&A event of an Index Component with or by a non-component:
  - Cash Terms: the weight of the target company based on its last close price will be distributed pro-rata across the remaining Index Components.
  - Stock Terms: the weight of the target company based on its last close price will be distributed pro-rata across the remaining Index Components.
  - Cash and Stock Terms: the weight of the target company based on its last close price will be distributed pro-rata across the remaining Index Components.

An adjustment with respect to an M&A Event will be applied to the Index when:

- the M&A event leads to a Delisting of the Index Component or;
- the acquiring company initiates a squeeze-out procedure for the remaining outstanding shares of the target company; or
- the results of the tender offer or shareholder meeting are announced, the offer is successful, and unconditional and the resulting free float of the target company is set to drop below 15%.

The Index adjustment will be announced with a notice period of at least two Business Days, i.e., the Index adjustment will become effective on the opening of the third Business Day following the announcement (= the effective date) at the earliest. The instrument will reflect the last traded price until the stated effective date even if the market event has already occurred, unless it is known at the time of the announcement that the target company will cease trading before the effective date, and there has been no active trading on the calculation day, the closing calculation and reinvestment amounts will reflect the value of the Deal Terms of the transaction.

M&A Events and Spin-offs Between Selection Day and Adjustment Day

This section shall provide a detailed description of the handling of M&A Events and Spin-offs that occur between Selection Day and Adjustment Day. For clarification: Corporate Events that occur before or on the Selection as well as Corporate Events that occur on the Index Calculation day following the Adjustment Day shall follow the treatments already defined above. This process is intended to ensure the integrity of the individual Indices while preventing unnecessary turnover for clients.

Default Treatment of M&A Events

In case a Future Index Component is subject to an M&A Event before the Effective Day of an Index Rebalance, the acquired Future Index Component will be removed from the future Index Composition on the Effective Day of the M&A Event as announced by Agora, i.e., it will not be included in the Index on the Effective Day.

M&A Event of a Future Index Component with / by another Future Index Component

- Cash Terms: The Target Weight of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components.
- Stock Terms: The Target Weight of the acquired Future Index Component will be added to the Target Weight of the acquiring / surviving company.
- Cash and Stock Terms: The cash portion will be reinvested pro-rata across the remaining Future Index Components. The Target Weight of the acquiring / surviving company will be increased according to the stock terms, i.e., the stock percentage of the consideration for the acquisition will be re-invested entirely in the Target Weight of the acquiring / surviving company. The stock percentage of the consideration for the acquisition is calculated by dividing the product of the close price of the acquirer and the stock terms of the deal by the product of the close price of the acquirer and the stock terms of the deal plus the cash terms.

Merger or Acquisition of a Future Index Component with / by a Non-Future Index Component

- Cash Terms: The Target Weight of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components.

- Stock Terms: The Target Weight of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components.
- Cash and Stock Terms: The Target Weight of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components.

Share Fixing on Selection Day

In the event of the Fraction of Shares being fixed on the selection/fixing date and floating of weights until the Adjustment Day is possible, the below treatments will be applied.

Merger or Acquisition of a Future Index Component with / by another Future Index Component

- Cash Terms: The Target Weight (as determined on the Selection Day) of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components. The fraction of shares of the remaining Future Index Components will be increased accordingly based on the Pro-Forma Fraction of Shares of the acquired Future Index Component.
- Stock Terms: The Target Weight (as determined on the Selection Day) of the acquired Future Index Component will be added to the Target Weight of the acquiring / surviving company. The fraction of shares of the acquiring company will be increased in accordance to the terms with the fractions of shares of the acquired Future Index Component based on the PROFORMA fraction of shares of the acquired Future Index Component.
- Cash and Stock Terms: The cash portion will be reinvested pro-rata across the remaining Future Index Components. The Target Weight (as determined on the Selection Day) of the acquiring / surviving company will be increased according to the stock terms, i.e., the stock percentage of the deal will re-invested entirely in the Target Weight of the acquiring / surviving company. The fraction of shares of the remaining Future Index Components will be increased accordingly based on the Pro-Forma fraction of shares of the acquired Future Index Component.

Merger or Acquisition of a Future Index Component with / by non-Future Index Component

- Cash Terms: The Target Weight (as determined on the Selection Day) of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components. The fraction of shares of the remaining Future Index Components will be increased accordingly based on the Pro-Forma fraction of shares of the acquired Future Index Component.
- Stock Terms: The Target Weight (as determined on the Selection Day) of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components. The fraction of shares of the remaining Future Index Components will be increased accordingly based on the Pro-Forma fraction of shares of the acquired Future Index Component.
- Cash and Stock Terms: The Target Weight (as determined on the Selection Day) of the acquired Future Index Component will be distributed pro-rata across the remaining Future Index Components. The fraction of shares of the remaining Future Index Components will be increased accordingly based on the Pro-Forma fraction of shares of the acquired Future Index Component.

Default Treatments for Spin-offs

If an Index Component (i.e., the parent company) distributes part of its business into a subsidiary or other company (i.e., the spin-off company), the spin-off company will be added to the Index Rebalance (i.e., future composition) according to the transaction terms on the ex-date. The treatment and calculation will vary based on the rebalance logic.

For weight implementation over one day, the spin-off company will be added leaving the combined Target Weight of the company, i.e., parent company and spin-off company unaffected. The number of shares added for the spin-off company will be based on the composition of the parent on ex1 and the Spin-off-terms. For the weight calculation the spin-off company will be considered with its initial market price on the ex-date or with a calculated theoretical price.

Given the following:

T − Spin-off terms

P_P − Open price parent company at ex-date

P_S − Open price spin-off company at ex-date

ω_P − Old target weight of the parent company

ω_S − Old target weight of the spin - off company

$adjP_p$ − Corporate Event adjusted close price parent company at ex-date - 1

fx_P − Exchange rate parent instrument " s currency into index currency at ex-date - 1

fx_S − Exchange rate spin - off instrument " s currency into index currency at ex-date – 1

The theoretical open price for the spin-off company is determined as follows:

$$Theoretical\ Open\ Price\ Spin - Off\ Company = \frac{adjP_p - P_p}{T}$$

The spin-off parent ratio and the new Target Weights is determined as follows:

$$Spin - Off\ Parent\ Ratio: R = \frac{P_S\ x\ T\ x\ fx_S}{P_P\ x\ fx_P}$$

$$New\ Target\ Weight\ Parent: w_P = \left(\frac{1}{(1+R)}\right) x\ \omega_P$$

$$New\ Target\ Weight\ Spin - Off: w_S = \left(\left(\frac{1}{(1+R)}\right) x\ \omega_P\right) + \ \omega_S$$

The Target Weights for the spin-off company and parent company will be assigned as provided with the formulas above. The remaining INDEX COMPOSITION will be unaffected by this event.

In case of the approach of fixing the Fraction of Shares on the Selection Day / Fixing Day, the spin-off company will be added to the future Index Composition according to the Spin-off-terms on the ex-date.

The indicative Number of Shares of the on the ex-date -1 of the parent company will serve as a reference for the addition to the future composition.

Suspensions

For securities that are suspended, Agora carries forward the market price prior to the suspension during the suspension period. Corporate events occurring during a suspension period are implemented on the day the security resumes trading.

In case of technical suspension, either ordered by an Exchange or requested by the company, where only a temporary freeze of the market price applies while there is still trading volume activity, Corporate Events:

- with a price adjustment factor (PAF) are implemented on the day the technical suspension is lifted
- without a PAF, such as private placements and secondary offerings, are implemented on the effective date of the event.

Delisting

A Delisting takes place when a company's shares are no longer publicly traded on an Exchange. This is, of course, the case when a company ceases to exist (e.g., after filing for bankruptcy), but there can also be other reasons. After a change in the ownership structure or a low percentage of free-float shares, companies can, depending on the jurisdiction, deliberately decide to go private.

Although the free float-shares remain intact, they are no longer publicly traded. This does not necessarily affect the enterprise but has a fundamental impact on an Index containing a delisted company as a component. Since the shares can only be bought and sold privately, no effective transaction prices can be determined, and the company falls out of the Index selection.

Another variation is a listing change whereby an Index Component delists from its primary Exchange and re-lists at an alternative Exchange.

If an Index Component is subject to a Delisting, the removal from the Index will be on the effective date as announced by Agora. The weight will be distributed pro-rata across the remaining Index Components. If available, the Index Component is deleted on the basis of its last available stock price. Failing that, prices from alternative markets may be tracked (e.g., also by contacting the affected Index Component itself), and used. In all other cases, if no robust prices are available, the Index Component is removed from the Index with a stock price of 0.00000001 expressed in the trading currency of the relevant stock.

A change of listing venue will trigger a delisting event, except if the Index Component changes its primary listing to an eligible Exchange, and the trading currency and country of incorporation are unchanged, in which case the relevant identifiers will be updated.

In case there is a change of primary listing within the same country, e.g., NYSE to Nasdaq, the position would be moved across on a 1 to 1 basis as the company is still governed by the same laws and regulations and the change to another primary listing does not change the eligibility of an Index Component to be incorporated in the composition.

Change of listing, however, due to re-domiciliation (mandatory conversion to a foreign primary Exchange) constitutes a significant change to the corporate structure of a company with business, regulatory and tax implications. In such an event, the weight of the Index Component based on its last close price will be distributed pro-rata across the remaining Index Components. A re-domiciliation that does not involve a change of listing will not constitute a reason to remove an Index Component from the Index.

Subject to the provision of appropriate notification, the adjustment will be applied to the Index after close of business of the last Trading Day of the affected Index Component.

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

Bankruptcy / Insolvency / Liquidation

A Bankruptcy as used herein refers to an event where an Index Component (in the country of its incorporation) has become bankrupt, has filed for bankruptcy protection, enters into administration or receivership, is insolvent or is liquidated or subject to other equivalent proceedings in accordance with laws and regulations in the country of its incorporation. It also includes events where a supervisory authority or resolution authority takes over the operations of a failed banking or financial institution, e.g., under rules of the Federal Deposit Insurance Corporation (in the U.S.) or the Bank Recovery and Resolution Directive (in the EU).

If an Index Component is bankrupt, the security will be removed from the Index with a notice period of two Business Days. The final weight will be distributed pro-rata across the remaining Index Components.

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

If no appropriate price for the Index Component is available, a price of 0.00000001 (expressed in the trading currency of the relevant security) will then be used for Index calculation until the security is removed from the Index based on the new price.

The adjustment will be applied to the Index after close of business of the last Trading Day of the affected Index Component.

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

Notice Period for Corporate Event Adjustments

Agora strives to provide accurate information on Corporate Events in a timely manner. In all cases of Corporate Event, Agora shall seek to provide for an implementation period that provides sufficient time for potential adjustments that users of an Index may need to take into account for the adjustment.

Extraordinary events such as ad-hoc delisting, unspecified listing dates for spun-off companies, or undisclosed, incomplete or mismatched transaction terms require a high level of flexibility and fast reaction times. Ad-hoc situations are defined as circumstances where either Agora receives information about the effectiveness of a transaction after the last Trading Day of the target security and / or the target security has been suspended from trading with immediate effect and will not resume trading until its Delisting and/or has been delisted from Exchange with immediate effect.

In the case of ad-hoc situations, the Index adjustment will also be applied with a notice period of at least two Business Days, i.e., the Index adjustment will become effective on the opening on the third Business Day following the announcement (= the effective date). The instrument's closing value will reflect the value of the transaction's Deal Terms.

Agora will communicate Corporate Event adjustments to subscribers via email or other communication channels, such as a posting on its website. Agora will provide detailed information about the nature of the Corporate Event and the implications on the affected Indices.

Agora shall seek to provide for an implementation period that provides sufficient time for potential adjustments that users of the Index may need to take into account for the change.

SANCTIONS

Sanctions can make it difficult or even impossible for users of an Index to trade securities included or represented in the Index on certain markets. By their nature, sanctions can take various forms and can either be comprehensive or selective. They can include broad-based trade restrictions or target selected individuals or entities that prevent new investment in or require a divestment from certain markets, securities or financial instruments.

Agora reviews sanctions and their impact on the Indices on a case-by-case basis. As a general rule, Agora only considers sanctions imposed by U.S., U.K. and/or European Union authorities. Securities and financial instruments impacted by sanctions may be treated as follows (but not limited to):

- freezing of their current weight or number of shares for the duration of the sanctions; and/or
- deletion from the Indices; and/or
- becoming ineligible for inclusion in Indices;
- exclusion from specific global or regional Indices.

In all cases, Agora announces to clients the specific treatment when new sanctions are imposed or removed with effect on the Indices.