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Akros Index Engineering Recalculation Policy and Guidelines

Akros Index Engineering Inc.

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1. AIE Recalculation Policy

- 1.1. This document outlines the Akros Index Engineering (“AIE” or the “Company”) Index Recalculation Policy. This policy and the accompanying AIE Index Recalculation Guidelines are applicable only to those indices specifically reference by the relevant methodology refers to this policy.
- 1.2. AIE strives to maintain its indices to the highest standards. However, inaccuracies in index and constituent data may occasionally occur. Investors, index constituents, licensees, and other market participants should be aware of this potential. Inaccuracies can stem from various sources, including complex corporate events, dividends announced late or missed, pricing errors, external disruptions or market distortions, and inaccurate, incomplete, or late data input, whether internal or external to AIE, or incorrect application of index criteria such as free floats, industry sectors, or constituent makeup.
- 1.3. In the event of an identified inaccuracy, AIE will follow the procedures outlined in the AIE Index Recalculation Guidelines to determine whether to recalculate an index or index series (or update it going forward) and/or reissue associated data products. Given the complexity of corporate events and the unpredictable nature of potential issues, these guidelines should not be seen as exhaustive rules for addressing every inaccuracy. For complex cases, AIE reserves the right to consult with market participants to decide the best course of action, including whether to recalculate indices and/or reissue associated data products.
- 1.4. AIE disclaims any responsibility for the accuracy of the index or its constituent data to investors, index constituents, licensees, and other market participants. Furthermore, AIE accepts no liability for any losses, damages, claims, or expenses incurred by any person due to errors or inaccuracies in compiling or calculating the index or any constituent data, whether due to negligence or other causes.

2. AIE Recalculation Guideline

- 2.1. The guidelines that AIE adheres to when deciding whether to recalculate an index or index series and/or reissue associated data files are detailed below, governed by the terms of the AIE Index Recalculation Policy. For custom indices or those tracked by only a single user, AIE may consult directly with the index user to determine the best course of action. In cases where broad data issues affect the implementation of an index review, AIE may engage in a wider consultation with all impacted index users before deciding on the appropriate remedial actions.

3. Remedial Action

- 3.1. Data inaccuracies that occur within the two business days prior to their discovery will be reviewed and recalculated, if necessary, provided the impact exceeds the threshold specified below.
- 3.2. Inaccuracies occurring before the two-business-day window will generally not be recalculated unless deemed exceptional. However, under certain conditions (as detailed in the accompanying table), a forward update may be implemented for inaccuracies discovered more than two business days prior.
- 3.3. AIE retains the discretion to determine the most appropriate remedial action. This may include a forward update to ensure the index remains replicable. Factors considered in this decision include the time elapsed since the inaccuracy occurred, its materiality, proximity to the next review period, and whether the inaccuracy affects the replicability or tracking of the index, or impacts quarter-end or year-end index values.

4. Recalculation Threshold

- 4.1. An inaccuracy affecting performance by more than 0.01 basis points in any index will require an index update. This is subject to AIE's discretion if extenuating circumstances apply, such as the index being used as the basis for a passive ETF or the estimated size of assets under management tracking the index.

5. Pricing, Market, and Exchange Rate Issues, Name and Identifier Changes

Identified issue	Remedial action	Recalculation	Data file reissue
Individual security inaccurate price or currency	Recalculation if threshold is breached	Y	Y
Whole market inaccurately priced (regardless of reason)	Recalculation regardless of impact	Y	Y
Inaccurate exchange rates	Recalculation regardless of impact	Y	Y
Index not calculated (outside of market holiday)	Recalculation regardless of impact	Y	Y
Name or Identifier change is missed or inaccurate	Applied the next trading day	N	N

6. Regular Dividends

6.1. The following details how AIE treats issues with 'regular' dividends. For more information on dividend treatment in the Akros Indices please see the *Akros Index Engineering Corporate Actions and Events Guide*.

Identified issue	Remedial action	Recalculation	Data file reissue
Inaccurate currency captured on or after ex-date	Recalculation if threshold breached	Y	Y
Inaccurate amount captured on ex-date	Intra-day adjustment is applied	N	Y
Inaccurate amount captured after ex-date (where ex-date is not the last business day of the month)	Apply compensatory dividend the next trading day. Please note: Where capture date falls in a different month to the ex- date then treatment will be a Recalculation (e.g. ex-date 29 June, captured on 1 July)	N	N
Inaccurate amount captured after ex-date (where ex-date is the last business day of the month)	Recalculation if threshold breached.	Y	Y
Dividend applied on a date prior to actual ex-date (where ex-date is in a different month to the application date)	Recalculation if threshold breached	Y	Y
Dividend applied on a date prior to actual ex-date (where ex-date is in the same month to the application date)	Apply compensatory dividend the next trading date and apply dividend for new ex-date Please note: where actual ex-date falls within two business days of original application, no corrective action will be taken	N	N
Missed dividend captured on or after ex-date (where ex-date is not the last business day of the month) captured on or before the pay date	Applied the next trading day	N	N
Missed dividend captured on or after ex-date (where ex-date is the last business day of the month)	Recalculation if threshold breached	Y	Y
Cancelled dividend captured on or before pay date	Negative adjustment applied the next trading day	N	N
Cancelled dividend captured after pay date	No adjustment applied	N	N
Withholding tax rate	Recalculation if threshold breached	Y	Y

7. Special Dividends

Identified issue	Remedial action	Recalculation	Data file reissue
Missed/Cancelled/Inaccurate terms/Inaccurate date – Captured on ex-date	Intra-day adjustment is applied	N	Y
Missed/Cancelled/Inaccurate terms/Inaccurate date – Announced prior to ex-date captured after ex-date but on or before the pay date	Recalculation if threshold breached and discovered within two-day recalculation window. If not, a compensatory adjustment is applied for the next trading day	Y	Y
Terms revised – Captured after ex-date but on or before pay date	Compensatory adjustment applied for the next trading day	N	N
Missed/Cancelled/Inaccurate terms/Inaccurate date – Captured after pay date	No adjustment applied	N	N
Inaccurate Withholding Tax	Recalculation if threshold breached	Y	Y

8. Rights Issue

Identified issue	Remedial action	Recalculation	Data file reissue
Rights Issue or Open Offer Missed/Cancelled/Inaccurate Terms/Inaccurate Date – Captured on ex-date	Intra-day adjustment is applied. See rights issue section of Corporate Actions and Events Guide for additional scenarios	N	Y
Rights Issue or Open Offer Cancelled – Captured after ex-date	Rights shares removed from the index at the rights price, giving appropriate advanced notice	N	N
Rights Issue or Open Offer Missed – Captured after ex-date but before subscription period ends	Rights applied giving appropriate advanced notice	N	N
Rights Issue or Open Offer Missed – Captured after subscription period ends	Additional shares added to the index following the regular index review process. No adjustment is applied	N	N
Rights Issue or Open Offer applied with inaccurate terms – Captured after ex-date but before subscription period ends	Recalculation if threshold breached and captured within two days of ex-date. Otherwise, rights shares added/removed with compensatory adjustment	Y	Y
Rights Issue or Open Offer applied with inaccurate terms – Captured after subscription period ends	Shares added/removed as necessary in line with the regular index review process	N	N
Rights Issue or Open Offer applied on inaccurate date – Captured after ex-date	Rights issue removed and reapplied or no further action as deemed appropriate	N	N

9. Other Corporate Events including Spin-offs, Bonus Issues, Stock Splits, and Consolidations

Identified issue	Remedial action	Recalculation	Data file reissue
Missed/Cancelled/Inaccurate Terms/Inaccurate Date – Captured on ex-date	Intra-day adjustment is applied	N	Y
Missed/Cancelled/Inaccurate Terms/Inaccurate Date – Announced prior to the ex-date but captured after ex-date	Recalculation if threshold is breached	Y	Y
Missed/Cancelled/Inaccurate Terms/Inaccurate Date – Announced and captured after ex-date	Intra-day adjustment is applied	N	Y
Inaccurate valuation of spin-off	See spin-off section of Corporate Actions and Events Guide for more details	N	Y

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