

AKROS

Exercise of Expert Judgment in Akros Indices

Akros Index Engineering Inc.

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1. Introduction

- 1.1. Methodology documents and other policies guiding the Akros Indices are designed to minimize the need for judgment or discretion as much as possible. Nonetheless, there are occasions when unusual or complex circumstances arise that are not addressed by these documents.
- 1.2. This policy outlines the procedures AIE follows in such situations. These include the handling of complex and unusual corporate actions and events, as well as decisions to recalculate or correct indices when issues with calculations are detected.

2. Unusual or Complex Corporate Actions and Events

- 2.1. In situations where future events are not addressed by the corporate action guides or other methodology documents, the index management team will escalate the issue to the Board of Directors. The Board of Directors will then research and review potential approaches for handling the event.

3. Index Recalculation Decisions

- 3.1. When the recalculation policy and guidelines do not clearly specify the actions to be taken following the detection of an error in index calculation, the Board of Directors will decide the suitable course of action. This includes making decisions on whether to historically restate an index and/or correct the index composition with advance notification provided.

4. Client and Stakeholder Consultation

- 4.1. If the Board of Directors deems it necessary to gather stakeholder opinions to decide on the best approach for handling an event or calculation issue, they will consult stakeholders when time permits. This consultation may occur during ad-hoc meetings with relevant AIE advisory committees or through individual discussions with affected stakeholders. Consultations will involve open-ended questions, and under no circumstances will respondents be pre-informed of the final decision. After reviewing the feedback, the Board of Directors will determine the appropriate response to the event or calculation issue.

5. Notification

- 5.1. The confirmed approach to handling the event will be communicated to clients and other stakeholders simultaneously through the publication of a technical notice on the AIE website. This technical notice will also include the rationale behind the decision.

6. Record Keeping

- 6.1. Instances of the exercise of expert judgment will be recorded and described at the subsequent meeting of the Board of Directors.

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