

Emerging Equities Rolling Futures Index

Bloomberg Code : BNSXFEME Index

Reuters Code : .BNSXFEME

INDEX RULE BOOK

This Rule Book sets out the description of the Index and the Index Rules which are applied by the Index Sponsor and the Index Calculation Agent to determine the calculation of the Index from time to time.

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I. Part A - Index Specific Rules

1. DESCRIPTION OF THE INDEX

The Emerging Equities Rolling Futures Index (the "**Index**") is a US dollar ("USD", the "**Index Currency**") denominated Index. The objective of the Index is to provide synthetic exposure to the performance of the mini MSCI Emerging Markets Index Futures contract listed on the ICE Futures U.S.

The Index was established based on historical backtesting on September 24th, 2015 (the "**Index Start Date**") with an initial level of 100.0 index points ("**Initial Index Level**").

The methodology of the Index is set out in Section 6 (*Index Methodology*).

The Index is a "**Cash Less**" index as it is constituted of components that require little or no cash to hedge in order to obtain the economic exposure and risk required by the index strategy. As a consequence, the level of the index does not take into account money market interest that would be ordinarily be payable when hedging the performance of an index which would require a cash investment equal to the value of the Index.

The Index is part of the Fixed Exposure family of BNP Paribas indices.

The Index is calculated, maintained, rebalanced and published by Solactive AG (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor"). The Index is calculated and published on a daily basis by the Index Calculation Agent. The Index Sponsor has not appointed an Index Investment Advisor in respect of the Index.

Composition of the Index

On the Index Start Date, the Index was comprised of Index Components of the type (each an "**Index Component Type**") and each with a respective weighting in the Index ("**Index Weightings**") and currency denomination set out in the table below:

| n | Index Components | Index Component Type | RIC Code | BBG | Index Weightings | Index Component Currency | Exchange |
|---|---|--------------------------------|----------|-------|------------------|--------------------------|----------------|
| 1 | The Dec15 mini MSCI Emerging Markets Index Future | Index Exchange Traded Contract | MEMZ5 | MESZ5 | 100.0% | USD | ICE Futures US |

On any day, the current composition of the Index will be available on <https://indices-globalmarkets.bnpparibas.com>.

2. ADJUSTMENTS TO INDEX COMPONENTS

If any Index Component ceases to exist or is, or would be, subject to an adjustment pursuant to the provisions of any Appendix hereto, or if the Hedging Party informs the Index Sponsor that a Hedging Disruption Event has occurred in respect of that Index Component, the Index Sponsor (and, where applicable, following consultation with the Index Investment Advisor), acting in good faith and in a commercially reasonable manner, may: (a)

require the Index Calculation Agent to (i) effect no change to the Index, (ii) adjust the Index in such manner as the Index Sponsor and, where applicable, the Index Investment Advisor, deem appropriate including, but not limited to, replacing such Index Component with a replacement Index Component, or (iii) continue to calculate and publish (as applicable) the Index without such Index Component or any replacement therefore, subject to the provisions of Section 6 (*Index Methodology*); or (b) if the Index Sponsor determines that none of subparagraphs (a)(i) through (iii) are appropriate or practicable, terminate the Index in accordance with its policies and procedures.

The aim of the Index Calculation Agent when making any such operational adjustments is to ensure that, so far as possible, the basis principles and economic effect of the Index are maintained.

3. CALCULATION OF THE INDEX LEVEL AND PUBLICATION OF THE INDEX LEVEL

- 3.1 The Index is calculated on or in respect of each Index Level Calculation Date, as further described in Section 6 (*Index Methodology*), subject to the provisions of this Section 3 (*Calculation of the Index Level and Publication of the Index Level*) and Section 4 (*Non-Scheduled Trading Days, Disrupted Days and Non-Publication of an Index Component Level*). The Initial Index Level and the initial composition of the Index on the Index Start Date is set out in Section 1 (*Description of the Index*) and (*Composition of the Index*) respectively. Where an Index Component is denominated in a currency other than the Index Currency, the conversion of the level or price, as the case may be, for such Index Component into the Index Currency shall be determined by the Index Calculation Agent on the basis of the official fixing of the foreign exchange reference rates as published on Reuters page WMRSPOT01 based on the USD crossing, for the currency in which the relevant Index Component is denominated or any other source that the Index Sponsor may deem appropriate.
- 3.2 Subject to Section 4 (*Non-Scheduled Trading Days, Disrupted Days and Non-publication of an Index Component Level*) of this Part A, on each Publication Date the Index Calculation Agent will publish the Index Level as at the last preceding Index Level Calculation Date (which is expected to be 1 Business Day prior to the Publication Date). The Index Level will be published by the Index Calculation Agent on Bloomberg Screenpage BNSXFEME Index and Reuters Ticker .BNSXFEME, or any successor pages thereto, and on any other data provider as the Index Sponsor deems appropriate. In the event of inconsistency between Index Levels published on Bloomberg or Reuters or any other data provider's system then the Index Level published on Bloomberg shall prevail.

4. NON-SCHEDULED TRADING DAYS, DISRUPTED DAYS AND NON-PUBLICATION OF AN INDEX COMPONENT LEVEL

- 4.1 If any Business Day is a non-Scheduled Trading Day or is a Disrupted Day (as applicable) in respect of one or more Index Components (an "**affected Index Component(s)**"), then the Index Sponsor may :
- (i) deem such a day to be an Index Level Calculation Date and require the Index Calculation Agent to calculate and publish the Index Level in respect of such day (a) using the last value which was available in respect of the affected Index Component(s), or (b) using a good faith estimate of the value of the affected Index Component(s) or (c) deeming, for the purposes of calculating the Index Level, the value of any one or more of such affected Index Components

to be equal to zero. The Index Sponsor may further determine that such date is not an Index Trading Day, notwithstanding that it is an Index Level Calculation Date; or

- (ii) deem such a day not to be an Index Level Calculation Date and as a consequence require the Index Calculation Agent not to calculate and publish the Index Level in respect of such day either (a) in the case of non-Scheduled Trading Days, until the next following Scheduled Trading Day; or (b) in the case of Disrupted Days, for a period not exceeding the Maximum Number of Days of Disruption provided that after the Maximum Number of Days of Disruption has elapsed, the Index Sponsor may require the Index Calculation Agent to either resume the calculation and publication of the Index Level in accordance with subsection (i) above or make such adjustment to the Index as the Index Sponsor and the Index Investment Advisor, where applicable, deems appropriate in accordance with Section 2 (*Adjustments to Index Components*) above, including, but not limited to, replacing such affected Index Component(s) with replacement Index Component(s).

4.2 In addition to the rights set out in Section 4.1 above, the Index Sponsor may require the Index Calculation Agent to delay or suspend the calculation and publication of the Index Level for a period not exceeding the Maximum Number of Days of Disruption, or discontinue the calculation and publication of the Index Level, if it determines that any event or circumstance has occurred and is continuing which would make the determination of the Index Level impossible or impracticable including, without limitation, any event or circumstance that does not result in a Disrupted Day and which is contemplated in Part B (*Index Component Adjustment Rules*) of these Index Rules or any event or circumstance that interrupts the ability of the Index Sponsor, the Index Investment Advisor, where applicable, or Index Calculation Agent to perform its duties in respect of the Index.

5. ADDITIONAL DEFINITIONS

5.1 In these Index Rules:

"Business Day" means any week day except for 25 December and 1 January in each year.

"Disrupted Day" in respect of any Index Component has the meaning given to such term in the Appendix of these Index Rules for the relevant Index Component Type detailed in Section 1 (*Description of the Index*) of Part A.

"Contract Quarter" means each of March, June, September and December.

"Hedging Disruption Event" means, in respect of any Index Component(s), the occurrence of any event that the Index Sponsor determines in good faith and in a commercially and reasonable manner would materially restrict any Hedge Provider from: (i) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of asset(s), transaction(s) or any futures or option contracts on any asset to hedge any relevant price risk associated with entering into and performing its obligations in relation to a relevant Index Component(s); (ii) freely realising, recovering, receiving, repatriating, remitting or transferring the proceeds of hedge positions relating to a relevant Index Component between accounts within the jurisdiction of the hedge positions (the "**Affected**

Jurisdiction) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction; (iii) determining a rate at which any currency relevant to the relevant Index Component(s) or hedge positions relating to the Index may be converted into the Index Currency; or (iv) converting any currency relevant to the Index Component(s) or the hedge positions relating to the Index or the Index Component(s) into another currency relevant to such hedge positions or Index Component(s)

"Hedge Provider" means a hypothetical party that would hedge an issuer's obligations in respect of a product linked to the Index

"Hedging Party" means BNP Paribas S.A. or any of its affiliates hedging a transaction linked to the Index

"Index Level" means the level of the Index on any relevant day

"Index Level Calculation Date" means each Business Day on which the Index Calculation Agent determines that it is able to calculate the Index Level, based on the availability of the prices, levels or values of the Index Components and subject to the provisions of Section 4 of Part A of the Index Rules.

"Index Rules" means the rules in relation to the Index as set out in Parts A to C and each Appendix in respect of relevant Index Component Types (inclusive) hereto.

"Index Trading Day" means any Business Day on which a Hedging Party determines that it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index.

"Maximum Number of Days of Disruption" means 20 Scheduled Index Business Days.

"Next Quarterly Roll Date" means the 3rd Friday of the last calendar month of the Contract Quarter in which Index Level Calculation Date t falls.

"Previous Quarterly Roll Date" means the 3rd Friday of the last calendar month of the Contract Quarter immediately preceding Index Level Calculation Date t.

"Publication Date" means the first Business Day following each Index Level Calculation Date.

"Quarterly Roll Period" means the period between the Previous Quarterly Roll Date and the start of the Roll Period Buffer preceding the Next Quarterly Roll Date.

"Roll Date" means the first Scheduled Trading Day of the Roll Period Buffer.

"Scheduled Index Business Day" means any week day that is scheduled to be both an Index Level Calculation Date and an Index Trading Day.

"Scheduled Trading Day" in respect of any Index Component has the meaning given to such term in the Appendix of these Index Rules for the relevant Index Component Type detailed in Section 1 of Part A.

5.2 Unless a contrary indication appears any reference in the Index Rules to:

- 5.2.1 the "Index Calculation Agent", the "Index Sponsor", the "Index Investment Advisor", where applicable, and any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- 5.2.2 any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, replaced or restated;
- 5.2.3 a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 5.2.4 a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 5.2.5 a provision of law is a reference to that provision as amended or re-enacted.

5.3 Part, Section, and Appendix headings are for ease of reference only.

6. INDEX METHODOLOGY

On each Index Level Calculation Date t subsequent to the Index Start Date, the Index Level will be calculated by the Index Calculation Agent as follows:

(i) If Index Level Calculation Date t is not in a Quarterly Roll Period ($PQRD_t < t \leq NQRD_t - RPB$), the Index Level will be calculated by the Index Calculation Agent as follows:

$$Index_t = Index_{t-1} \frac{DCP1_t}{DCP1_{t-1}}$$

(ii) If Index Level Calculation Date t is in a Quarterly Roll Period ($NQRD_t - RPB < t \leq NQRD_t$) the Index Level will be calculated by the Index Calculation Agent as follows:

$$Index_t = Index_{t-1} \frac{RF_t DCP1_t + (1 - RF_t) DCP2_t}{RF_t DCP1_{t-1} + (1 - RF_{t-1}) DCP2_{t-1} - (RF_t - RF_{t-1})(DCP1_{t-1} - DCPS_{t-1})}$$

(iii) If Index Level Calculation Date t is the Roll Date (where there is only 1 Roll Date) or the last Roll Date (where there is more than 1 Roll Date) of the Front Quarter Futures Contract ($t = PQRD_t$), the Second Quarter Futures Contract shall become the Front Quarter Futures Contract and the Index Level will be calculated by the Index Calculation Agent over the values $DCP1_t$ and $DCP2_{t-1}$ as follows:

$$Index_t = Index_{t-1} \frac{DCP1_t}{DCP2_{t-1}}$$

Where the definitions used in this Section shall have the following meaning:

| | |
|--------------------------|--|
| <i>Index_t</i> | Index Level on any Index Level Calculation Date t |
| <i>FQ1_t</i> | Front Quarter Future Contract, being the mini MSCI Emerging Markets Index Future contract that is closest to expiry on Index Level Calculation Date t. |
| <i>FQ2_t</i> | Second Quarter Future Contract, being the mini MSCI Emerging Markets Index Future Contract that is the next to expire after the Front Quarter Future Contract. |
| | The prices for the quarterly contracts are published on Bloomberg screenpage “MES” followed by the code H/M/U/Z for the relevant calendar quarter, then by a single digit representing the calendar year (i.e. the December 2015 Future Contract Bloomberg Code is “MESZ5”). |
| <i>TP_{t,s}</i> | means the Traded Price, being the price at which the Index Component is traded on the Exchange on Index Level Calculation Date t at time s. |
| <i>TV_{t,s}</i> | means the Traded Volume, being the number of units of the Index Component traded on the Exchange on Index Level Calculation Date t at time s. |
| VST | VWAP Calculation Start Time, i.e. 15h50 New York Time |
| VET | VWAP Calculation End Time, i.e. 16h00 New York Time |
| <i>DCP_t</i> | Daily Contract Price for the Index Component on Index Level Calculation Date t, being the Volume Weighted Average Price (“VWAP”) thereof from VST (included) to VET (excluded), determined in accordance with the following formula: |
| | $DCP_t = \frac{\sum_{VST \leq s < VET} TP_{t,s} TV_{t,s}}{\sum_{VST \leq s < VET} TV_{t,s}}$ |
| <i>DCP1_t</i> | <i>DCP_t</i> for the Front Quarter Future Contract <i>FQ1_t</i> |
| <i>DCP2_t</i> | <i>DCP_t</i> for the Second Quarter Future Contract <i>FQ2_t</i> |
| <i>DCPS_t</i> | The difference between <i>DCP1_t</i> and <i>DCP2_t</i> |
| <i>PQRD_t</i> | On each Index Level Calculation Date t, the Previous Quarterly Roll Date. |
| <i>NQRD_t</i> | On Index Level Calculation Date t, the Next Quarterly Roll Date. |
| NRD | Number of Roll Dates, i.e. 1 Scheduled Trading Day |

RPB Roll Period Buffer, i.e. 3 Scheduled Trading Days

RF_t Roll Factor at Index Level Calculation Date t

$$\text{if } t \leq NQRD_t - RPB \quad RF_t = 1$$

$$\text{if } t \geq NQRD_t - RPB + NRD \quad RF_t = 0$$

if t is the nth Roll Date ($t = NQRD_t - RPB + n$)

$$RF_t = \max\left(0, \min\left(1, \frac{NRD - n}{NRD}\right)\right)$$

7. INDEX ADJUSTMENT, SUSPENSION AND TERMINATION EVENTS

- 7.1 Upon the occurrence of an Index Increased Cost of Maintenance Event, the Index Sponsor shall take into account as it deems appropriate, any amendment, correction or any potential adjustment of the Index of whatsoever nature relating to the Index Increased Cost of Maintenance Event and may require the Index Calculation Agent to make adjustments to the Index to reflect the Index Increased Cost of Maintenance Event. In making any such adjustments the Index Sponsor may either i) require the Index Calculation Agent to substitute an existing component in the Index with a replacement component which it deems suitable and perform the necessary adjustments to the Index, or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such substitution is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index Increased Cost of Maintenance Event**" shall be deemed to have occurred if the Index Sponsor acting in good faith and a commercially reasonable manner deems that the amount of tax, duties, expenses, fees and rates (including without limitation any stock loan and/or stock borrowing and/or repo and/or replication costs or rates) of acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any transactions or assets it deems necessary to enter into in order to compute, compile, hedge and/or maintain the Index has increased since the date the Index was launched.

- 7.2 Upon the occurrence of an Index CSR Event, the Index Sponsor may require the Index Calculation Agent to make any adjustments to the Index as it deems appropriate to account for the Index CSR Event. In making any such adjustments, the Index Sponsor may either i) require the Index Calculation Agent to substitute an existing Index Component with a replacement Index Component which it deems suitable and perform the necessary adjustments to the Index or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such substitution is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index CSR Event**" shall be deemed to have occurred if the Index Sponsor, acting in good faith and

a commercially reasonable manner, determines that the inclusion or retention of any Index Component in the Index would result in the Index Sponsor breaching any corporate social responsibility policy maintained by the Index Sponsor or any of its affiliates.

- 7.3 Upon the occurrence of an Index Force Majeure Event, the Index Sponsor may suspend the Index until the end of the Index Force Majeure Event (the "**Index Suspension Period**"). If the Index Suspension Period exceeds one month the Index Sponsor may either i) require the Index Calculation Agent to adjust the Index taking into account as it deems appropriate, any amendment or potential adjustment of the Index of whatsoever nature relating to the Index Force Majeure Event and in making any such adjustments the Index Sponsor may advise the Index Calculation Agent to substitute an Index Component in the Index with a replacement component which it deems suitable and subsequently perform the necessary adjustments to the Index or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such adjustment is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index Force Majeure Event**" shall be deemed to have occurred if the performance of the Index Sponsor and/or the Index Calculation Agent's obligations is prevented or materially hindered or delayed due to (a) any act, law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or (c) any expropriation, confiscation, requisition, nationalization or other action taken or threatened by any Government Authority that deprives the Index Sponsor or Hedging Party (or any of their relevant affiliates), of all or substantially all of their assets in the relevant currency jurisdiction; and

"**Government Authority**" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

- 7.4 Upon the occurrence of an Index Change in Law Event, the Index Sponsor may either i) require the Index Calculation Agent to adjust the Index taking into account as it deems appropriate, any amendment or potential adjustment of the Index of whatsoever nature relating to the Index Change in Law Event and in making any such adjustments the Index Sponsor may advise the Index Calculation Agent to substitute an existing component in the Index with a replacement component which it deems suitable and perform the necessary adjustments to the Index or ii) where the Index Sponsor determines in good faith and a commercially reasonable manner that no such adjustment is appropriate or practicable, terminate the Index in accordance with its policies and procedures.

Where:

An "**Index Change in Law Event**" shall be deemed to have occurred if, (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of tax, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation

(including any action taken by a taxing or financial authority) or the combined effect thereof if occurring more than once, the Index Sponsor determines that it has become illegal to hold, acquire or dispose of any Index Components (or parts thereof) or any relevant hedge positions relating to the Index.

- 7.5 Upon the occurrence of an Index Tax Event, the Index Sponsor may review the composition of the Index and make such adjustments as it deems necessary.

"**Index Tax Event**" means any change in any applicable tax law or tax regulation, (b) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable tax law or tax regulation (including any action taken by a taxing authority) affecting the Index, or (c) where there is a substantial likelihood of a change in any applicable tax or tax regulation and practice, save in each case in relation to taxes or stamp taxes which the Index Sponsor shall exclude for the purposes of this definition.

- 7.6 Upon the occurrence of a License Event, the Index Sponsor may either (i) review the composition of the index and make such adjustments as it deems necessary or (ii) terminate the Index.

Where:

A "**License Event**" shall be deemed to have occurred if any license or permission to use an index which is an Index Component (or sub-component of an Index Component) granted by a sponsor of such index is withdrawn, terminated or otherwise amended.

II. Part B - Index Component Adjustment Rules

The adjustment and other provisions set out in Appendix 1 shall be applicable to Index Components which are 'Index Exchange Traded Contract' Index Component Types as detailed in Section 1 of Part A of the Index Rules.

III. Part C - General Index Rules

1. ROLES OF THE INDEX CALCULATION AGENT AND THE INDEX SPONSOR AND THE INDEX INVESTMENT ADVISOR WHERE APPLICABLE

1.1 The Index Sponsor

The Index Sponsor is responsible for devising the Index Rules, ensuring the Index level is published by the Index Calculation Agent in accordance with the Index Rules and making any required determinations. Whenever the Index Sponsor is required to act, it will do so in good faith and a commercially reasonable manner, however the Index Sponsor accepts no liability for errors or inaccuracies in the Index Rules or any determinations made in accordance therewith.

The Index Sponsor owns all intellectual property and other proprietary rights in these Index Rules, the Index and all associated materials, including the name of the Index, its composition and the calculation methodology of the Index in accordance with the Index Methodology (the "Index Materials"). No party to which Index Materials have been disclosed shall have any right to use the Index unless such party has been granted an express limited licence to use the Index Materials solely for the purposes of assessing relevant business needs.

1.2 The Index Calculation Agent

The Index Calculation Agent is responsible for the day to day calculation and publication of the Index. The Index Calculation Agent will act in good faith and will make all commercially reasonable efforts to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with the Index Rules. However the Index Calculation Agent accepts no liability for errors or inaccuracies in prices, calculations and the publication of any Index Components or sub-components thereof made by third parties and shall not be responsible for any inaccuracies or errors in the Index resulting therefrom. If the Index Calculation Agent becomes aware of any inaccuracies or errors in the Index as a result of errors or inaccuracies in the prices, calculation or publication of any Index Components or sub-components thereof or otherwise, it shall inform the Index Sponsor of the same. If, in accordance with Section 4 (*Corrections to the level of the Index*) of this Part C, the Index Sponsor instructs the Index Calculation Agent to publish a correction in respect of the Index, it shall do so as soon as practicable thereafter.

1.3 The Index Investment Advisor

Where an Index Investment Advisor has been appointed, it shall be responsible for selecting the Index Components in good faith and a commercially reasonable manner in accordance with the terms of the Index Investment Advisor Agreement. The Index Investment Advisor accepts no liability for inaccuracies or errors in such selections due to inaccuracies or errors in the calculation or publication of the Index Level, any Index Components or sub-components thereof.

2. SUPPLEMENTS, AMENDMENTS, MODIFICATIONS AND WITHDRAWAL OF THE INDEX RULES

The Index Sponsor, acting in good faith and a commercially reasonable manner, may supplement, amend in whole or in part, modify or withdraw these Index Rules at any time in accordance with its policies and procedures. Supplements, amendments, modifications and withdrawals may also lead to changes in the Index Rules and the way the Index is compiled or calculated or affect the Index in other ways. Any supplements, amendments or modifications to the Index Rules which are of a formal, minor or technical nature or are made to correct a manifest or proven error and do not conflict with the interests of any affected parties may be effected immediately and such supplements, amendments or modifications shall be made available to interested parties.

If the Index Sponsor deems that any supplement, amendment or modification to the Index Rules or withdrawal thereof may be in conflict with the interests of an affected party, the relevant supplement, amendment, modification or withdrawal shall not take effect until at least 15 calendar days have elapsed since its publication. The Index Sponsor accepts no liability for any losses resulting from supplementing, amending, modifying or withdrawing the Index Rules.

3. RULES FOR THE PERIODICAL ADJUSTMENT OF THE INDEX COMPOSITION

Where so specified in Section 6 (*Index Methodology*), the composition of the Index may be reviewed and adjusted periodically. Any adjustments made by the Index Sponsor or the Index Investment Advisor, where applicable, will be made in good faith and in a commercially reasonable manner and in accordance with the relevant Index Rules.

The Index Sponsor, and where applicable, the Index Investment Advisor, disclaim any liability for any modification or change to the composition of the Index or the Index Methodology at any time.

4. CORRECTIONS TO THE LEVEL OF THE INDEX

The calculation of the Index is based on the latest available market data relating to the Index Components (including but not limited to closing prices, levels, related dividends and corporate adjustments or other similar market data) as of the relevant Index Level Calculation Date. In the event any such market data changes subsequent to the calculation and publication of any Index Level, the Index Sponsor shall decide, in accordance with its policies and procedure, whether or not to require the Index Calculation Agent to take account of such changes in relation to previously published Index Levels or current Index Levels in order to maintain the stability and consistency of the Index, to the extent the relevant retrospective change is allowed by any applicable law or regulation.

5. DISCLAIMER IN RELATION TO THE INDEX

5.1 Accuracy of the Index

The Index Calculation Agent, the Index Sponsor and, where applicable, the Index Investment Advisor, will make all reasonable efforts to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with the relevant Index Rules. This information is furnished by third parties and is believed to be reliable, but the accuracy and completeness thereof has not been verified by any of the Index Sponsor, the Index Calculation Agent or, where applicable, the Index Investment Advisor.

5.2 Suspension and interruption in the publication of the Index

Although the Index Sponsor and the Index Calculation Agent shall act in good faith and a commercially reasonable manner in calculating, publishing or disseminating the Index (as applicable), they disclaim all liability for any suspension or interruption in the calculation, publication or dissemination of the Index that may occur at any time. Details of any such suspension or interruption in the publication of the Index will be displayed by the Index Calculation Agent on Bloomberg Screenpage BNSXFEME Index and Reuters Ticker .BNSXFEME, or any successor pages thereto, and on any other data provider as the Index Sponsor deems appropriate.

5.3 Index Level

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor, accept no liability in connection with the use of the Index Level at any given time or for any loss whatsoever, whether directly or indirectly related to the Index.

6. OTHER IMPORTANT INFORMATION

6.1 Transactions involving the Index Components

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor and their affiliates may from time to time engage in transactions involving any Index Component(s) (and/or sub-components thereof) for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value or level of such Index Component(s) (and/or sub-components thereof) and consequently upon the Index Level, and in engaging in such transactions none of the Index Sponsor, Index Calculation Agent or, where applicable, the Index Investment Advisor nor their affiliates shall be under any obligation to act in the interests of parties exposed to products referencing the Index.

6.2 Acting in other capacities and potential conflicts of interest

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor or any of their affiliates may from time to time act in multiple capacities with regard to the Index or any products referencing the Index, including, but not limited to, Index Calculation Agent, Index Investment Advisor or calculation agent thereof. The Index Sponsor has policies and procedures to identify, consider and manage such potential conflicts of interest.

The Index Sponsor, Index Calculation Agent and the Index Investment Advisor, where applicable, may also engage in trading activities (including hedging activities) relating to the Index Components for their proprietary accounts or for other accounts under their management. The Index Sponsor and its affiliates may also issue other derivative instruments in respect of the Index Components or act as underwriter in connection with future offerings of shares or as financial advisor to certain companies or companies whose shares or other securities are Index Components or in a commercial banking capacity for such companies

In respect of Index Component Types which are Fund Shares or ETPs, the Index Sponsor or one or more of its Affiliates may from time to time engage in business with the relevant Fund or ETP, as the case may be, or companies in which a Fund or ETP, as the case may be, invests, including among other

things, extending loans to, or making investments in, or providing advisory services to them, including merger and acquisition advisory services, engaging in activities that may include prime brokerage business, financing transactions or entry into derivative transactions. A Fund or ETP may pay a portion of its fees to the Index Sponsor or any of its Affiliates for the provision of such services.

6.3 Derivative instruments in respect of the Index Components

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor or any of their affiliates may issue, enter into, create, purchase, sell or distribute derivative instruments (whether securitized or otherwise) in respect of the Index or any Index Component(s) (and/or sub-components thereof) and the introduction of such products into the marketplace may affect the Index Level, due to hedging activities associated with such derivative instruments.

6.4 Market-Making for the Index Components

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor may, in certain cases, act as a market-maker or sponsor for any Index Component(s) (or sub-components thereof). By such market-making or sponsoring, the Index Sponsor, the Index Calculation Agent, or, where applicable, the Index Investment Advisor may, to a large extent, determine the price of such Index Component(s) (or sub-components thereof), and consequently influence the Index Level.

6.5 Obtaining of non-public information

The Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor or any of their affiliates may acquire non-public information with respect to any Index Component(s) (or sub-components thereof), and neither the Index Sponsor, Index Calculation Agent, nor the Index Investment Advisor where applicable, nor any of their affiliates undertakes to disclose any such information to any party exposed to products referencing the Index. In addition, one or more affiliates of the Index Sponsor, Index Calculation Agent or, where applicable, the Index Investment Advisor may publish research reports with respect to such Index Component(s) (or sub-components thereof). Research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with the objectives of the Index. Such activities could present certain conflicts of interest and could influence the value of the Index.

7. FORM OF DISCLAIMER TO BE USED ON TERM SHEETS AND ISSUANCE DOCUMENTATION FOR PRODUCTS LINKED TO THE INDEX

The following disclaimer wording should be used on term sheets and issuance documentation for products linked to the Index:

"The methodology of and rules governing the index (the "Index Methodology" and the "Index") are proprietary. None of the sponsor of the Index (the "Index Sponsor"), the index calculation agent (where such party is not also the Index Sponsor, the "Index Calculation Agent") nor, where applicable, the index Investment Advisor (the "Index Investment Advisor") guarantee that there will be no errors or omissions in computing or disseminating the Index.

The Index Methodology is based on certain assumptions, certain pricing models and calculation methods adopted by the Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor, and may have certain inherent limitations. Information prepared on the basis of different models, calculation

methods or assumptions may yield different results. You have no authority to use or reproduce the Index Methodology in any way, and neither BNP Paribas nor any of its affiliates shall be liable for any loss whatsoever, whether arising directly or indirectly from the use of the Index or Index Methodology or otherwise in connection therewith.

The Index Sponsor reserves the right to amend or adjust the Index Methodology from time to time in accordance with the rules governing the Index and accepts no liability for any such amendment or adjustment. Neither the Index Sponsor nor the Index Calculation Agent are under any obligation to continue the calculation, publication or dissemination of the Index and accept no liability for any suspension or interruption in the calculation thereof which is made in accordance with the rules governing the Index. None of the Index Sponsor, the Index Calculation Agent nor, where applicable, the Index Investment Advisor accept any liability in connection with the publication or use of the level of the Index at any given time.

The Index Methodology embeds certain costs in the strategy which cover amongst other things, friction, replication and repo costs in running the Index. The levels of such costs (if any) may vary over time in accordance with market conditions as determined by the Index Sponsor acting in a commercially reasonable manner.

BNP Paribas and its affiliates may enter into derivative transactions or issue financial instruments (together, the "Products") linked to the Index. The Products are not in any way sponsored, endorsed, sold or promoted by the sponsor of any index component (or part thereof) which may comprise the Index (each a "Reference Index") that is not affiliated with BNP Paribas (each such sponsor, a "Reference Index Sponsor"). The Reference Index Sponsors make no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Reference Index and/or the levels at which the relevant Reference Index stands at any particular time on any particular date or otherwise. No Reference Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the relevant Reference Index and the relevant Reference Index Sponsor is under no obligation to advise any person of any error therein. None of the Reference Index Sponsors makes any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Products. BNP Paribas and its affiliates have no rights against or recourse to any Reference Index Sponsor should any Reference Index not be published or for any errors in the calculation thereof or on any other basis whatsoever in relation to any Reference Index, its production, or the level or constituents thereof. BNP Paribas and its affiliates shall have no liability to any party for any act or failure to act by any Reference Index Sponsor in connection with the calculation, adjustment or maintenance of the relevant Reference Index and have no affiliation with or control over any Reference Index or the relevant Reference Index Sponsor or the computation, composition or dissemination of any Reference Index. Although the Index Calculation Agent will obtain information concerning each Reference Index from publicly available sources that it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by BNP Paribas or any of its affiliates nor the Index Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Reference Index.

BNP Paribas and/or its affiliates may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as market-maker, hedging counterparty, issuer of components of the Index, Index Sponsor and/or Index Calculation Agent. Such activities could result in potential conflicts of interest that could influence the price or value of a Product."

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IV. APPENDIX 1 - ADJUSTMENTS FOR INDEX COMPONENT TYPE "INDEX EXCHANGE TRADED CONTRACT"

The following provisions shall apply in respect of any Index Component in respect of which the Index Component Type specified in Part A is "Index Exchange Traded Contract".

1. Consequences of non-Scheduled Trading Days and Disrupted Days

If any Business Day is a non-Scheduled Trading Day or is a Disrupted Day in respect of an Index Exchange Traded Contract, the provisions relating to the requirements to calculate and publish and/or adjust as set out in Sections 4 and 5 of Part A of the Rules shall apply in relation to the Index.

2. Adjustments

If on any week day, an Adjustment Event takes place, then the Index Sponsor shall determine if such Adjustment Event has a material effect on the Index and, if so, may require the Index Calculation Agent to adjust the Index in accordance with Section 2 of Part A of this Rule Book.

3. Definitions

"Adjustment Event" means either a "Material Change in Formula or Content" or "Non-commencement or Discontinuance of the Index Exchange Traded Contract".

"Disrupted Day" means any Scheduled Trading Day on which the Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Early Closure" means the closure on any Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange " means, in respect of the exchange or principal trading market specified as such in Section 1 of Part A of these Index Rules, any successor to such exchange or principal trading market or any substitute exchange or trading system to which trading in the Index Exchange Traded Contracts has temporarily relocated (provided that the Index Sponsor has determined that there is comparable liquidity relative to the Index Exchange Traded Contract on such temporary substitute exchange or trading system as on the original Exchange)

"Exchange Disruption" means any event that disrupts or impairs (as determined by the Index Calculation Agent) the ability of market participants in general to effect transactions in, or obtain values for the Index Exchange Traded Contract.

"Exchange Business Day" means any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding the Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means any event that disrupts or impairs (as determined by the Index Sponsor)

the ability of the market participants in general to effect transactions in, or obtain values for such Index Exchange Traded Contracts.

"Market Disruption Event" means any of the following, as determined by the Index Sponsor:

- (i) Early Closure;
- (ii) Exchange Disruption; and
- (iii) Trading Disruption.

"Material Change in Formula or Content" means the occurrence since the Index Start Date of a material change in the formula for or the method of calculating the value, or the content, composition or constitution of the Index Exchange Traded Contract by the Exchange;

"Non-Commencement or Discontinuance of the Index Exchange Traded Contract" means that no official settlement price is published by the Exchange for the Index Exchange Traded Contract as a result of the fact that trading in such Index Exchange Traded Contract never commences or is permanently discontinued at any time.

"Scheduled Closing Time" means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means any day on which the Exchange is scheduled to be open for trading for its regular trading session.

"Trading Disruption" means in respect of an Index Exchange Traded Contract, any suspension or of limitation imposed on trading by the relevant Exchange by reason of movements in price exceeding limits permitted by such Exchange or otherwise.