

AKROS

Akros Index Engineering Consultation Policy

Akros Index Engineering Inc.

April 2024

v1.0

First Publication Date: April 11, 2024



Contents

1.	Policy Statement	3
2.	Purpose	3
3.	Scope	3
4.	Duty to Report Misconduct	4
5.	Acting in Good Faith	5
6.	Procedure	5
7.	Investigation	5

1. Criteria

Akros Index Engineering (“AIE” or the “Company”) may adjust an index's methodology to better align with its stated objectives. Such changes could arise from a review of the methodology, external feedback, shifts in the market, the index's effectiveness, issues with inputs, or other factors that complicate or prevent the calculation of the index. These modifications must be approved by the Company's Board of Directors (the “Board of Directors”) following a thorough analysis of how well the proposed changes meet the index objectives and represent its interests.

The Board of Directors will carry out consultation when considering material changes to an index's methodology that are likely to substantially affect the holdings or alter its process. Material changes are those anticipated to impact target constituent weights by at least 15%. Changes are also deemed material if they involve significant alterations to the content of the methodology that would be considered material by the index's stakeholders, such as changes affecting the investable universe. AIE may also choose to conduct consultations for changes that do not meet these criteria at its discretion. However, AIE will not hold consultations for non-methodology related changes, such as Corporate Actions and Use of Expert Judgement. consultations will be conducted only if there are stakeholders involved.

2. Index Changes

AIE will post consultations on its website and simultaneously email the details to its stakeholders and licensees. Depending on the potential impact and the product base, AIE may also issue a news release. Consultations are scheduled to last for 10 days but may be extended by the Board of Directors if necessary. If a consultation leads to a change, this change will be announced in the same manner as the consultation, with at least 2 weeks' notice provided. Announcements will detail the changes to be implemented and specify the effective date. In certain situations, it may be necessary to implement changes more quickly. Such instances are expected to be rare and would typically occur only in emergencies to address real-time market conditions and ensure the index continues to meet its stated objectives. In these cases, AIE will provide as much notice as possible.

3. Format and Content of Consultation and Consultation Result

Consultations will offer specific options but will also accept open-ended responses. Each consultation will have a designated closing date, which may be extended if necessary. The Board of Directors uses the results of these consultations to make informed decisions regarding index methodology and governance. While decisions related to the consultations will be published, individual consultation responses will not be. AIE invests significant effort into its consultations, thoroughly outlining all significant advantages and disadvantages. Given the size of our organization and the number of stakeholders, adding an additional layer to respond to comments and publicize these responses is considered overly burdensome. AIE maintains a small group of stakeholders who are encouraged to communicate their concerns at any time.

Disclaimer

This document contains information that is confidential and proprietary property and/or trade secret of Akros Index Engineering Inc. and/or its affiliates and is not to be published, reproduced, copied, disclosed or used without the express written consent of Akros Index Engineering Inc. This document is provided for information purpose only. The information contained herein is, to the knowledge of Akros Index Engineering Inc., current as of the date hereof, but is subject to change without notice and does not constitute any form of warranty, representation, or undertaking. Nothing herein should in any way be deemed to alter the legal rights and obligations contained in agreements between Akros Index Engineering Inc. and/or any of their affiliates and their respective clients relating to any of the products or services described herein. Nothing herein is intended to constitute legal, tax, accounting, investment or other professional advice. Clients should consult with an attorney, tax, or accounting professional regarding any specific legal, tax or accounting situation.

The content in this document is provided on an "AS IS" basis. Akros Index Engineering Inc. and/or its affiliates make no warranties whatsoever, either express or implied, as to merchantability, fitness for a particular purpose, or any other matter. Without limiting the foregoing, Akros Index Engineering Inc. and/or its affiliates make no representation or warranty that any data or information (including but not limited to evaluated pricing) supplied to or by it are complete or free from errors, omissions, or defects. In no event shall Akros Index Engineering Inc. and/or any of its affiliates be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the content in this document even if advised of the possibility of such damages.

This document is © Akros Index Engineering Inc. 2024.

Other products, services, or company names mentioned herein are the property of, and may be the service mark or trademark of, their respective owners.