

Rules for SIX SRI Nordic Index (SIXNCSRI)

1. Introduction

SIX Financial Information (SIX) and ISS-Ethix (Ethix) are the owners of the “*SIX SRI Nordic Index*” (*SIXNCSRI*). SIX is responsible for the calculation of the index (Index Provider) and Ethix is responsible for the selection of the index constituents.

SIXNCSRI index has been constructed to reflect the market progress of companies listed on the Nordic exchanges (Copenhagen Stock Exchange, Helsinki Stock Exchange, Oslo Stock Exchange and Stockholm Stock Exchange), excluding companies that do not meet modern standards of social, environmental and ethical criteria in which the concept of sustainability and corporate responsibility are central.

Dividends

Three dividend variants of the SIXNCSRI are calculated:

- * **SIXNCSRIPI:** Price Index= Ordinary cash dividends are not reinvested.
 - * **SIXNCSRIGI:** Gross Index= The total dividend is reinvested.
 - * **SIXNCSRINI:** Net Index= Only the net dividend (after deductions for tax**) is reinvested.
- ***) See appendix SIXNCSRINI_tax for tax table

This framework is designed on the basis of the index SIXNCSRIPI

2. Index Company, Index Share, index model

2.1 Definition of Index Share, etc.

The SIXNCSRI index population consists of all companies listed on the Nordic Stock Exchanges, excluding companies that do not meet modern standards of social, environmental and ethical criteria, *Index Company*. *Index Share* means an ordinary share in an Index Company.

The index is revised semi-annually. Ethix examine the companies listed on the Nordic Stock Exchanges and implements any exclusions. Any company that fails to meet the requirement for sustainable and responsible investment are excluded from the index. Companies involved in the verified violation of international standards regarding the environment, human rights, labour relations, anti-corruption legislation or the involvement in controversial weapons are excluded. Companies with a turnover exceeding 5% related to the production or distribution, or 50% turnover for services related to alcohol, gambling, or military equipment are excluded. Companies with any involvement in the production or exceeding 5% in the distribution of tobacco or pornography are immediately excluded. Companies with a turnover of exceeding 5% related to services of pornography or 50% turnover for services related tobacco are also

excluded. Additionally companies can be excluded for non-responsible behaviour, specifically in the areas of alcohol, tobacco or gambling and companies involved in the active distribution of pornography. With regards to military materials, companies with a related turnover below 5% can also be excluded if the manufactured military equipment's primary purpose is to be used in battle or otherwise directly contribute to the combat function. Requirements of sustainability include paying special attention to a companies' involvement in fossil fuels, coal, oil and gas, where a general exclusion is made for companies where 5% or more of turnover relates to the production or distribution of fossil fuels, as well as companies where over 50% of turnover derives from services in or to this area. The rules for fossil fuels also apply to exclusions of companies which are involved in the exploration for or extraction of oil sands, even if this amounts to less than 5% of the company's total sales.

These revisions are made on the last business day of May and November, which affects the index population beginning the next trading day.

The Market capitalization is calculated for each registered company by multiplying the total number of ordinary shares by the last traded price for the class of company share that accounts for the largest proportion of the company's share capital (largest class of share). In companies where the largest class of share has low liquidity or where two classes of share account for the same proportion of the share capital, the most traded class of share will be used. For certificates of deposit (SDB), the market capitalization is calculated by multiplying the total number of certificates of deposit by the last traded price.

The day's index value is obtained by adding the *Market Capitalizations* specified above for all the companies included in the index population today and yesterday. Any adjustments (A) for issues are added to yesterday's total market capitalization for the index population. The ratio between these values is then multiplied by yesterday's SIXNCSRIPI index value.

2.2 Formula for calculating the Index Value

$$\text{SIXNCSRIPI} = \left(\sum (Q_t * (P_t * R_t)) / \sum (Q_{t-1} * (P_{t-1} * R_{t-1}) + (A * R_{t-1})) \right) * \text{SIXNCSRIPI}_{t-1}$$

SIXNCSRIPI	=	Index value today
Q_t	=	Number of ordinary shares today
P_t	=	Today's last traded price in national currency
R_t	=	EURO Exchange rate today
Q_{t-1}	=	Number of ordinary shares yesterday
P_{t-1}	=	Yesterday's last traded price in national currency
R_{t-1}	=	EURO Exchange rate yesterday
A	=	Amount for adjustment of base value at new issues and the like
SIXNCSRIPI_{t-1}	=	Index value yesterday

2.2.1 Number of shares (Q)

The number of shares per Index Company is stated by SIX in the current SIXNCSRIPI share list. Changes to the number of shares as a consequence of issues or similar are only taken into

consideration from the moment when a new price is listed on the Nordic Stock Exchanges after such an issue.

2.2.2 Share price (P)

Share price means the latest known trading price listed on the Nordic Stock Exchanges. This also applies in the event of suspension of trading.

2.2.3 Index Value

The index value is stated at two decimal places.

SIXNCSRIPI was listed at 100 at the close at the Nordic Exchanges on 2014-12-30.

2.2.4 Trading Day

The Index is calculated for days when at least one of the Stockholm, Helsinki, Copenhagen or Oslo stock Exchanges are open for trade.

2.2.5 Exchange rate (R)

The share prices in the Nordic indexes are converted into EURO and each country uses its domestic currency in the calculation. The conversion is carried out when the last Nordic Stock Exchange has closed. WM Company mid price is used in the conversion of currencies.

2.3 Rights issues

The Index Provider will, in the case referred to below, adjust the SIXNCSRIPI to ensure that SIXNCSRIPI reflects the market progress of the companies included in SIXNCSRIPI.

2.3.1 Standard method

When a rights issue with precedence for existing shareholders takes place for an Index Share and the newly issued share does not significantly deviate from the ordinary share, the number of Index Shares will be increased according to the so-called standard method with effect from the day the share is listed ex-rights on the Nordic Exchanges (ex-day). On that day, the base value will be adjusted in accordance with section 2.2 above. (A) is calculated by multiplying the newly-added number of shares by the issue price per share. It is assumed that all the shares in the issue are subscribed for.

2.3.2 Valuation method, Fixed Price Method and Inclusion Method

If the company to which the Index Share relates adopts any of the measures listed below in any circumstances other than those contemplated in section 2.3.1 above – where the company’s shareholders have a preferential right to participate – the Valuation Method, the Fixed Price Method or the Inclusion Method will be used, as decided by the Index Provider. The following measures may form the basis for an adjustment in accordance with this section 2.3.2.

- Issue of convertible debt certificates, debt certificates associated with warrants to subscribe for new issues, or similar securities which, according to the Index Provider, have a decisive effect on the Index Share.
- Offer to acquire securities or rights of any kind or to acquire such securities or rights without payment.
- New issue involving a new type of share that is not an ordinary share and that, according to the Index Provider, deviates significantly from the Index Share.

Valuation method

The Valuation Method can be used if the rights are listed on the Nordic Stock Exchange or on any other stock market or market place approved by the Index Provider. In that case, the valuation is based on the price for the rights on the day before the ex-dividend day. If the Index Provider considers the above valuation to be unrepresentative of the trading of the rights or if the valuation is otherwise unreliable, the Fixed Price Method will be used instead.

If the rights can be valued according to the Valuation Method, the input price of the Index Share on the ex-dividend day is the previous trading day’s last traded price with a deduction for the calculated value of the rights. The continuous index calculation is carried out thereafter using the last traded prices from the Nordic Stock Exchanges or other stock market or market place approved by the Index Provider.

Fixed Price Method

On the day the Index Share is listed exclusive of a subscription right (or similar right) at the Nordic Stock Exchanges, the index is calculated by using the last traded price from the previous day’s trading. This price will be used in the index calculation up to and including the day when the first traded price exclusive of a subscription right (or corresponding right) was listed at the Nordic Stock Exchanges. A new base value will be calculated for the following day using the last traded price from the previous day.

Inclusion Method

In the event of an external valuation, it will be processed in the following way:

On the ex-dividend day, the input share price for the company carrying out the spin-off (Parent Company) is reduced by the external valuation and the calculation is then carried out on the last traded price. For the company subject to the spin-off (Subsidiary Company), the input and output share prices are equal to the valuation. This value remains until the company is listed or removed from the index population.

If there is no external valuation, it will be processed as follows:

On the ex-dividend day, the input price for the company carrying out the spin-off is the previous day's closing price and the output share price is that day's closing price. For the company subject to the spin-off, the input share price is equal to zero base currency and the output share price is equal to the reduction in base currency for the first transaction by the company carrying out the spin-off in relation to the condition. This value remains until the company is listed or removed from the index population.

If the company is not listed on the Nordic Stock Exchanges within three months, the company will be excluded from the index calculation. If the company is listed on the Nordic Stock Exchange within three months, the input share price on the listing day is equal to the valuation and the output share price is equal to the official closing price for the company.

2.3.3 Bonus issue

In the event of a bonus issue of an Index Share, the number of shares in the index calculation for the Index Share is increased by the number of new shares from the day when the Index Share is listed excluding fractional rights on the Nordic Stock Exchange. If a bonus issue takes place which involves the issue of a new type of share that deviates significantly from the Index Share, the Fixed Price Method contemplated in section 2.3.2 will be used.

2.3.4 Stock split and reverse split

If a stock split or reverse split takes place in an Index Share, the number of shares in the index calculation for the Index Share will be adjusted in accordance with the principles set out in section 2.3.3.

2.3.5 Redemption of Index Shares

2.3.5.1 Redemption at a premium

When shares are redeemed at premium, aimed at all shareholders, the valuation method contemplated in section 2.3.2 will be used. If a subscription period extends over more than two weeks from the day the Index Share is listed excluding rights to participate in the redemption, the number of shares will be reduced, down-weighted, the day after the Index Provider has received the information on the number of shares redeemed. The number of shares today (Q_t) and the number of shares yesterday (Q_{t-1}) is reduced by the number of redeemed shares. If the subscription period is less than two weeks, the down-weighting will take place on the day the Index Share is listed excluding rights to participate in the redemption.

2.3.5.2 Redemption at a discount

If a subscription period extends over more than two weeks from the day the Index Share is listed excluding rights to participate in the redemption, the number of shares will be reduced, down-weighted, the day after the Index Provider has received the information on the number of shares redeemed. The number of shares today (Q_t) and the number of shares yesterday (Q_{t-1}) is reduced by the number of redeemed shares. If the subscription period is less than two weeks, the down-weighting will take place on the day the Index Share is listed excluding rights to participate in the redemption.

2.4 Issues without precedence for existing shareholders

Issues without precedence for existing holders of Index Shares and conversion of convertible debt certificates, exercise of warrants, etc.

When the Index Provider receives information on the above events, the number of shares (Q_t) is updated. The base value in accordance with section 2.2 above is adjusted on that day. The amount by which the base value (A) is adjusted is obtained by multiplying number of newly-added shares by the previous day's last traded price (P_{t-1}).

2.5 Other adjustments

With regard to adjustments in accordance with section 2.3, SIX may carry out an adjustment other than that referred to above or may decide to change a provision on adjustment in order to maintain the purpose of the Index.

2.6 Extraordinary changes in the index population

If an Index Share is subject to a public offer for acquisition of shares or a company issuing Index Shares approves a merger agreement, the Index Provider may decide that the share will no longer be an Index Share or that it must be changed for another share. The company purchased will be excluded from the index population on the Trading Day after SIX has been informed that the purchasing company owns over 90% of the capital of the company purchased.

If an Index Share is deemed to be unsuitable for any other reason, the Index Provider may decide that the share will no longer be an Index Share.

If the company issuing an Index Share is delisted from the Nordic Stock Exchange due to bankruptcy, the Index Provider will decide that the share will no longer be an Index Share. On the last listing day that the Index Share is included in SIXNCSRIPI, it will be listed at a price of zero base currency.

2.7 Suspension of trading

During suspension of trading of an index share, the last traded price for the share will be used to determine the index. This will also apply if the transaction was not carried out on the trading day in question with regard to an index share.

2.8 Introduction of new companies on the Nordic Stock Exchange

A company listed on the Nordic Stock Exchange is included in the index calculation from the first Trading Day after the listing day, when the last traded price (P_{t-1}) for the company on the listing day is used. Prior to the listing of the company on the Nordic Exchange, Ethix carry out a separate screening of the new company. Any company failing to meet the modern standards of social, environmental and ethical criteria will not be admitted to the index constituent list.

2.9 Total Return Indexes

The Gross and Net Indexes are calculated in exactly the same way as the Price Index, except for the fact that all cash dividends are reinvested in the index.

The *Market Capitalisation* will be calculated for each share by multiplying the number of ordinary shares by the last traded price. The day's index value is obtained by adding the *Market Capitalisations* specified above for all the shares in the index universe today and yesterday. Any adjustments (A) for issues are added to yesterday's total market capitalisation for the index universe (base value). The ratios between these values are then multiplied by yesterday's index values.

Dividends are reinvested in the index by reducing the input share price on the ex-dividend day by the amount of the dividend. In this way, the dividend is reinvested in all the companies included in the index in relation to their weight.

Formula for calculating the Index Value:

$$\text{SIXNCSRIGI} = \left(\sum (Q_t * (P_t * R_t)) \right) / \left(\sum ((Q_{t-1} * ((P_{t-1} - D_t) * R_{t-1})) + (A * R_{t-1})) \right) * \text{SIXNCSRIGI}_{t-1}$$

SIXNCSRIGI	= Index value today
Q_t	= Number of ordinary shares today
P_t	= Today's last traded prices in national currency
R_t	= EURO Exchange rate today
Q_{t-1}	= Number of ordinary shares yesterday
P_{t-1}	= Last traded price yesterday in national currency
D_t	= Dividend in national currency today
R_{t-1}	= EURO Exchange rate yesterday
A	= Amount for adjustment of base value at new issues and the like
SIXNCSRIGI_{t-1}	= Index value yesterday

3. Limitation of liability

The Index Owner is not liable for damage caused by the enactment of Swedish or foreign laws, measures adopted by Swedish or foreign authorities, acts of war, power cuts, interruptions in telecommunications, fire, water damage, strikes, blockades, lockouts, boycotts or other similar circumstances beyond the Index Owner's control. The reservation applying to strikes, blockades, lockouts and boycotts applies even if the Index Owner itself is subject to or adopts any such conflict measure.

Under no circumstances is the Index Owner liable for any loss of data, loss of earnings or indirect damage.

The Index Owner gives no express or implied guarantee with regard to the results to which use of SIXNCSRI may give rise or with regard to the value of SIXNCSRI at any given moment.

4. Amendment of Rules

SIX has a right to stipulate that the rules will be changed if necessary to maintain the purpose of the index or if any law, regulation or decision by an authority makes this necessary or if such a change is considered appropriate due to a change in market practice.