INDEX PRODUCTS

Nomura General Index Terms

Version 1.0

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Introduction, Application, Copyrights

A. Introduction and Incorporation

This document, the Nomura General Index Terms (as may be amended or modified from time to time as provided herein, the "**General Index Terms**"), comprises certain provisions, disclaimers, risk factors and other information applicable to certain rules-based proprietary indices which Nomura International plc or its successor(s) (the "**Index Administrator**") may create, sponsor and administer from time to time (each, an "**Index**" and together, the "**Indices**"). References to "**Nomura Group**" mean Nomura International plc and its affiliates, and references to "**Nomura**" are to any one entity of Nomura Group.

In respect of an Index, to the extent that these General Index Terms are explicitly applied, referred to and/or incorporated by reference, they should be read in conjunction with the following documents:

(i) the relevant document describing the determination of indices of the same type as such Index (the "**Index Methodology**"); and

(ii) the relevant supplement to such Index Methodology specifying, amongst other things, the name of such Index and terms, dates and/or parameters specific and applicable to such Index (the "**Index Specifications**").

The General Index Terms may be amended or modified from time to time at the discretion of the Index Administrator in accordance with the terms set out herein and upon each amendment or modification this document shall be updated to a new version. Following an update, and unless otherwise specified, the most recent version shall be deemed to be in force from the date of such update and replace in its entirety the preceding version such that, in the event of any conflict or variation between the preceding version and the most recent version, the most recent version shall prevail.

Any or all of the provisions and sections of these General Index Terms may be incorporated (including by way of amendment and/or additions) into and made applicable to the relevant Index Methodology and/or the relevant Index Specifications in respect of an Index. When the relevant Index Methodology and/or the relevant Index Specifications in respect of an Index incorporates these General Index Terms, unless any such document states otherwise, the most recent version of the General Index Terms shall be deemed to be applicable, as updated from time to time. In respect of any Index and/or Indices to which these General Index Terms are applicable, any part or provision of these General Index Terms may be expressly modified, supplemented or deleted in the relevant Index Specifications and/or the relevant Index Methodology.

For the avoidance of doubt, these General Index Terms do not apply to or override any index documentation (including any methodology, rulebooks, or other index description), in respect of an Index unless these General Index Terms are expressly specified to apply to such Index.

B. Index Description

These General Index Terms, together with the relevant Index Methodology and the relevant Index Specifications in respect of an Index, will constitute the "**Index Description**" in respect of such Index.

Capitalised terms used in these General Index Terms but not defined herein have the meaning given to them in the relevant Index Methodology or the relevant Index Specifications, as the case may be. In the event of any inconsistency between the provisions of the relevant Index Methodology and/or

the relevant Index Specifications and the provisions of these General Index Terms, the provisions of the relevant Index Methodology and/or the relevant Index Specifications will prevail. In respect of each Index, in the event of any inconsistency between the provisions of the relevant Index Methodology and the relevant Index Specifications, the provisions of the relevant Index Specifications will prevail.

An Index may be linked to one or more other Indices each of which may in turn be linked to one or more Indices and so on (each such underlying index, a "**Sub-Index**" and together the "**Sub-Indices**"). In such case, potential investors should also refer to the relevant index description or rules relating to each such Sub-Index (which may or may not comprise these General Index Terms, an Index Methodology and/or an Index Specifications, in each case, applicable to the Sub-Index) for the specific description, methodology, rules, provisions, disclaimers, risk factors, conflicts of interest and/or other information applicable to such Sub-Index.

An Index may also be linked to one or more other indices that are (i) created, sponsored and/or administered by a third party, that is not Nomura International plc, or (ii) sponsored by Nomura International plc or any of its affiliates but administered by a third party that is not a Nomura Group entity, (each such index, a "**Third Party Index**" and together the "**Third Party Indices**"). Potential investors should also refer to the relevant index description or rules relating to each such Third Party Index for the specific description, methodology, rules, provisions, disclaimers, risk factors, conflicts of interest and/or other information applicable to such Third Party Index.

C. Index Calculation Agent; Third Party Data Provider

In respect of each Index, the Index Administrator will appoint a calculation agent (the "**Index Calculation Agent**") as specified in the relevant Index Methodology and/or the relevant Index Specifications to make certain determinations and calculations, and to publish the value of such Index as more particularly described in the relevant Index Methodology and/or the relevant Index Specifications. The Index Administrator does not have any obligation to ensure that the relevant Index Calculation Agent continues to publish, and the Index Administrator may discontinue publication of, the value of any Index at any time. The Index Administrator and the Index Calculation Agent (including any replacement and/or successor Index Calculation Agent) may be the same or affiliated entities.

The Index Administrator may also appoint other agents and/or use third-party data providers in relation to an Index to obtain certain inputs necessary to compute the value of such Index. The Index Administrator does not have any obligation to ensure that these agents and/or third-party data providers continue to provide inputs necessary to compute the value of an Index. The Index Administrator may change any agents and/or third-party data providers utilised in respect of an Index at any time.

D. Determinations by Nomura as Index Administrator and/or Index Calculation Agent

Unless otherwise specified in the relevant Index Description, all determinations and calculations that involve the exercise of Expert Judgment or discretion (other than those that are purely rules based and mechanical in accordance with the relevant methodology) made by the Index Administrator or, only when Nomura is appointed as Index Calculation Agent, the Index Calculation Agent, as the case may be, in respect of an Index will be made at the Index Administrator's, or where applicable the Index Calculation Agent's, sole discretion acting in good faith and in a commercially reasonable manner. All such determinations and calculations will be subject to the Index Administrator's policies and procedures and will (in the absence of manifest error) be final, conclusive and binding. The

Index Administrator has adopted guidelines and measures designed to promote consistency in the exercise of Expert Judgment and discretion for Index determinations which are summarised in Appendix 2, Section 14 of the Control Framework Summary ("Expert Judgment and Discretion").

The Index Administrator and/or the Index Calculation Agent, as applicable, shall have no responsibility to any person for any errors or omissions in any determinations and/or calculations. In making any determinations or calculations with respect to an Index, the Index Administrator and the Index Calculation Agent do not owe any person or entity any fiduciary duties in respect of the Index and are not required to take the interests of any person or entity into account in making any determination and/or calculation with respect thereto.

E. Index Composition

Each Index may be comprised of a number of:

(i) components and/or sub-components (including but not limited to Sub-Indices and/or Third Party Indices and their respective underlying components), securities, futures and/or option contracts, and/or other derivative contracts and financial instruments as direct or indirect underlying assets of such Index (each a "**Component**");

(ii) input data (including but not limited to any price or level) which is used to determine, or which constitutes, any price(s), weight(s), signal(s) or other values or parameters in relation to a Component and/or Index; and

(iii) any other input data or software package used in any determination relating to and/or calculation of an Index,

((ii) and (iii) together, "**Input Data**").

None of the Indices are sponsored, endorsed, sold, or promoted by the provider or sponsor of any Input Data or the sponsor of any Component, other than where such Component is a Sub-Index. Such sponsor(s) does(do) not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any such Component and/or Input Data at any particular time on any particular date or otherwise.

F. Components; Entirely Notional and No Ownership Rights

Each Index is a synthetic product and the exposure of each Index to any position in a Component (which may itself represent a notional investment in one or more other Components) is purely notional. There is no actual portfolio of underlying indices, financial instruments, assets or other underlyings or components to which any person or entity is entitled or in which any person or entity has any ownership interest (whether legal, beneficial or otherwise), and there is no obligation on the Index Administrator and/or the Index Calculation Agent to promote and/or purchase, enter into, invest and/or hold positions in and/or in any way acquire any Component(s), or transaction(s) or investment(s) that is/are linked to any Component(s), at any time. References in any Index Description to any investment, disposal or acquisition of any Component(s) should not be construed as imposing any obligation on the Index Administrator, the Index Calculation Agent and/or any person or entity in any way to actually invest in, hold position in, acquire or dispose of any such Component(s), transactions, investment(s) and/or other property, but are references to and relate solely to the calculation of the value of each Index.

G. Copyright

The Index Administrator owns the copyright and all other rights in and to the applicable Indices, and each Index Description. No use or publication of any kind may be made of any Index or any value thereof, nor of any version of these General Index Terms, any Index Methodology and/or any Index Specifications, without the prior written approval of the Index Administrator.

Governance Policy and Control Framework

The Index Administrator has established a governance framework (the "**Governance Policy and Control Framework**") to ensure compliance with UK BMR[1] and the IOSCO Principles and any related measures and applicable FCA rules (each as amended or replaced from time to time)[2]. The Governance Policy and Control Framework governs (amongst other things) the development, determination and operation of Indices administered by the Index Administrator. A summary of the Governance Policy and Control Framework is published on the Index Administrator's public website (the "**Index Administrator's Website**"):

www.nomuranow.com/portal/site/nnextranet/en/global-markets/structured-derivatives/quant-investment-strategies.shtml.

Please refer to the summary of the Governance Policy and Control Framework (the "**Control Framework Summary**") in respect of the following information applying to each Index:

Additional information in respect of the Index methodology	
Criteria for Index Development and Input Data and Source Selection	The criteria and procedures used to develop an Index and for selecting the input data sources used in an Index are set out in Appendix 2, Section 3 ("Index Design and Creation of New Indices and Methodologies") and Appendix 2, Section 6 ("Data Sufficiency and Hierarchy of Input Data") of the Control Framework Summary.
Exercise of Expert Judgment and Discretion	The Index Administrator has adopted guidelines and procedures designed to promote consistency in the exercise of Expert Judgment and discretion for Index determinations and calculations. Further details are contained in Appendix 2, Section 14 ("Expert Judgment and Discretion") of the Control Framework Summary.
Input Data Type Priority	The Index Administrator applies the input data hierarchy set out in Appendix 2, Section 6 ("Data Sufficiency and Hierarchy of Input Data") of the Control Framework Summary when considering the data inputs used to construct an Index.
Index Error Reports and Revision	The Index Administrator has adopted procedures for analysis and remediation of Index errors, and for potential restatement of a published Index level. Further details are contained in Appendix 2, Section 13 ("Correction of Errors") and Appendix 2, Section 15 ("Changes to Methodology") of the Control Framework Summary where remediation requires change to the Index rules.
Quantity and Quality of Input Data	Each Index is constructed by the Index Administrator using single prices or levels and/or an average or other formula of prices or levels, as prescribed by the relevant Index Methodology and/or the relevant Index Specifications. The Index Administrator therefore considers that the requirement to determine the thresholds of the quantity of data inputs, necessary to determine each Index accurately and reliably, has been met. The Index Administrator determines the standards of quality of the data inputs used in the Index at the design stage of such Index in accordance with Appendix 2, Section 6 ("Data Sufficiency and Hierarchy of Input Data") of the Control Framework Summary. These standards are reflected in the relevant Index Methodology and/or the relevant Index Specifications. The Index Administrator will review these standards and the data inputs on a periodic basis in accordance with Appendix 2, Section 16 ("Periodic Review of Indices") of the Control Framework Summary and in the full policies and procedures available on the Index Administrator's Website, to ensure that the data inputs used continue to be of sufficient quality to determine each Index accurately and reliably, and will accordingly determine whether a Modification Event has occurred.
Internal Reviews of an Index	The Index Administrator is required to conduct internal reviews of an Index on a periodic basis. Further details regarding the frequency of those reviews, the procedures to be followed, and the bodies or functions within the Index Administrator's organisational structure involved in such reviews, are contained in Appendix 2, Section 16 ("Periodic Review of Indices") of the Control Framework Summary and in the full policies and procedures available on the Index Administrator's Website. Reviews will further be conducted where the Index Administrator considers it desirable or necessary to do so, including in response to

Additional information in respect of the Index methodology	
	specific events or otherwise. Specific events may include (without limitation) any Index errors, Index disruptions, or other Index life-cycle events; changes in market circumstances; changes in the applicable legal or regulatory environment; any challenges or complaints or other feedback from stakeholders; and/or any material audit findings. Further information regarding the procedures to be followed in response to certain specific events, and the bodies or functions within the Index Administrator's organisational structure involved in such reviews, can be found in Appendix 2, Sections 13 ("Correction of Errors"), 14 ("Expert Judgment and Discretion"), 15 ("Changes to Methodology"), 19 ("Complaints Handling Policy"), and 21 ("Audits") of the Control Framework Summary, and any other sections of the Control Framework Summary which may be relevant from time to time.
Index Approval	The criteria and procedures used to approve an Index, and the bodies or functions within the Index Administrator's organisational structure involved in such approval, are set out in Appendix 3 ("Main Features of Index Committee Constitution and Terms of Reference") and Appendix 2, Section 3 ("Index Design and Creation of New Indices and Methodologies") of the Control Framework Summary.
Investor Consultation Upon Index Termination and Material Changes to Index Rules	The Index Administrator will consult investors of Index linked products where determined appropriate by the Index Committee when proposing material changes to an Index methodology and/or termination of an Index under the circumstances and procedures as set out in Appendix 2, Section 15 ("Changes to Methodology") and Appendix 2, Section 17 ("Termination of Indices and Transitional Arrangements") of the Control Framework Summary, and in the full policies and procedures available on the Index Administrator's Website.
Active Market of an Index	As of the date of the relevant Index Description, the Index Administrator considers the underlying market of each corresponding Index to be active, in accordance with Appendix 2, Section 3 ("Index Design and Creation of New Indices and Methodologies") of the Control Framework Summary.
Outsourcing of Index Determination	The Index Administrator may outsource parts of the Index determination and/or calculation, subject to an outsourcing agreement in accordance with UK BMR requirements (as applicable). Where applicable, information on the outsourcing arrangement will be set out in the relevant Index Specifications and/or in the relevant Index Methodology. Further, the Index Administrator has outsourced certain IT, Quants, Middle Office and Structuring functions to Nomura Structured Finance Services (India) Private Limited, subject to a corporate service agreement between the entities. Further details are contained in Appendix 2, Section 1 ("Oversight of Third Parties") of the Control Framework Summary.
Environmental, Social and Governance (ESG) Factors	The Index Administrator has established a statement on ESG Factors ("**ESG Statement**") to ensure compliance with UK BMR which requires an explanation of how ESG Factors are reflected in the key elements of the benchmark methodology in respect of Credit Indices, Equity Indices, and Multi-Asset Indices which are comprised of Credit and/or Equity Indices.

Additional information in respect of the Index methodology

None of the Indices does pursue ESG objectives or take into account ESG factors. For full details, please see the ESG Statement for the relevant Benchmark Family for the Index (and any Sub-Index, if applicable) as specified in the table below on the Index Administrator's Website.

i	Benchmark Family	Corresponding ESG Statement
1	Nomura FX Indices	Not applicable
2	Nomura Interest Rates Indices	Not applicable
3	Nomura Commodity Indices	Not applicable
4	Nomura Equity Indices	Equity Indices
5	Nomura Credit Indices	Credit Indices
6	Nomura Multi Asset Indices	In respect of Nomura Multi-Asset Indices which are comprised of Credit and/or Equity Indices: Multi-Asset Indices In respect of Nomura Multi-Asset Indices which are not comprised of Credit and/or Equity Indices: Not applicable

Publication of Index Levels and Index Life Cycle Events

A. Publication of Index Levels

Unless otherwise specified in the relevant Index Methodology and/or the relevant Index Specifications, the Index Calculation Agent will generally calculate and make available the level of an Index in respect of each Index Business Day.

On any Index Business Day in respect of which a Disruption Event has occurred and/or is continuing in respect of an Index and/or any Component(s) and/or any Input Data, the Index Calculation Agent may still make available an Index Level in respect of such Index Business Day. However, in such event, such Index Level may be indicative and only for information purposes and may not reflect a value at which Nomura Group would be willing to originate and/or transact any product(s) linked to such Index.

The Index Level in respect of an Index Business Day will be published on the following data sources:

(i) under the Index Price Source; and/or

(ii) on such other information sources as the Index Administrator may select from time to time at its sole and absolute discretion.

The Index Level will be rounded and published to the number of decimal places as specified in the relevant Index Methodology and/or the relevant Index Specifications subject to the maximum number of significant figures that the relevant Index Price Source allows.

Information about the past performance of an Index and its volatility can be obtained at the Index Price Source.

The Index Administrator may, at any time, for any reason, and without prior notice, change the Index Price Source on which any Index Level is published and/or change the frequency of publication of the Index Level, in its sole and absolute discretion.

The Index Administrator may, in its sole and absolute discretion, at any time, terminate the calculation and publication of an Index in accordance with the part of these General Index Terms entitled "Termination of an Index".

The Index Administrator and the Index Calculation Agent accept no liability to any person for publishing or not continuing to publish for any period of time any Index Level on any particular data source or at any particular time.

B. Publication of Index Life Cycle Events

Notifications: The Index Administrator will post details to the Index Administrator's Website or otherwise, to notify of (a) any Index Level restatement due to an Index Correction, (b) a material change made to the methodology of an Index in accordance with the part of these General Index Terms entitled "Modification Events and Consequences", (c) the termination of an Index in accordance with the part of these General Index Terms entitled "Termination of an Index", or (d) any other information in relation to an Index as the Index Administrator considers appropriate.

Consultations: The Index Administrator will also post details to the Index Administrator's Website or otherwise, of any consultation in relation to a proposed material change of an Index and/or an Index

termination under the circumstances and procedures set out in the Control Framework Summary.

Any publication described in this part of these General Index Terms entitled "Publication of Index Levels and Index Life Cycle Events" may be restricted by means determined appropriate for such purpose by the Index Administrator and/or Index Calculation Agent, in each case in its sole and absolute discretion, including, but not limited to, password protection restricting access to a limited set of persons in accordance with arrangements agreed between the Index Administrator and/or Index Calculation Agent and such persons.

Correction of Published Index Levels

The Index Administrator has a number of procedures and processes in place which are designed to ensure the accuracy and reliability of published Index Levels. Notwithstanding these procedures and processes, errors may sometimes occur and the Index Administrator may determine to correct and restate any affected Index Levels and/or make adjustments to an Index to correct any such error(s). Details on the Index Administrator's procedure for analysis and remediation of Index errors, and for potential restatement of a published Index Level are contained in Appendix 2, Section 13 ("Correction of Errors") and Appendix 2, Section 15 ("Changes to Methodology") of the Control Framework Summary where remediation requires change to the Index rules.

The Index Administrator, its affiliates and the Index Calculation Agent accept no liability to any person or entity for any such error(s) in an Index.

A. Index Correction Events

"**Index Correction Event**" means in respect of an Index, on any day, the existence or occurrence of any of the following events, as determined by the Index Administrator in its sole and absolute discretion:

1. any error in calculating, or in the application of, any formulae or rules set out in the relevant Index Description;
2. a discrepancy between any formula and methodology of such Index described in the related Index Description, and the way in which such Index is actually determined or calculated;
3. an error in the formulae and/or methodology as documented in the relevant Index Description;
4. an error or anomaly with respect to any published Index Level which was caused by a third party data source or provider and/or a restatement by any third party of Input Data which has been used to calculate the Index ("**Third Party Input Data Errors**");
5. the correction and restatement of the level of any Sub-Index; and/or
6. erroneous publication of the levels of an Index;

and where the level of the Index would have been different from the affected Index Level as published on the relevant date (or dates) had the applicable event above not occurred.

B. Index Correction Consequences

If, in the determination of the Index Administrator, an Index Correction Event occurred in respect of an Index, then the Index Administrator may determine (under the oversight of the Index Committee) to correct and restate the affected Index Level for each day during the Restatement Period and make such other corresponding adjustments to the relevant Index (and the relevant Index Description where required) as it deems necessary, if any, in order to reflect the Index Correction Event (in each case in accordance with the principles and methodology of the relevant Index).

The affected Index Levels falling before the Restatement Period, and any Input Data or methodology which was used for the computation of such affected Index Levels, shall remain unchanged and no correction and restatement shall be applied, unless the Index Administrator in its sole and absolute discretion determines to correct and publish further affected Index Levels prior to the Restatement Period.

C. Intraday Indices

For Intraday Indices only, unless otherwise specified in the relevant Index Specifications and/or the relevant Index Methodology, if in the determination of the Index Administrator an Index Correction Event occurred, then for each day in the Restatement Period the quantities of the Components shall remain unchanged and shall not be corrected, and the corrected Index Level shall be calculated based on these originally determined quantities of the Components.

"**Intraday Index**" means an Index the methodology of which provides for the observation of Input Data at one or more times during an Index Business Day and the use of such data, shortly following the relevant observation, to determine or adjust positions in respect of one or more Components, as specified under the relevant Index Specifications and/or the relevant Index Methodology.

"**Index Restatement Back-Stop Date**" means the date falling one (1) month immediately prior to the date on which the Index Administrator becomes aware of or identifies an Index Correction Event, unless otherwise specified in the relevant Index Specifications and/or the relevant Index Methodology.

"**Restatement Period**" means the period from and including the Index Restatement Back-Stop Date to and including the date on which the correction and restatement of an affected Index Level is effected and, if applicable, the corrected Index Level is published on the Index Price Source.

If, due to the occurrence of an Index Correction Event the Index Administrator determines that an adjustment to the relevant Index methodology is necessary in order to correct such error, then the Index Administrator will make such changes to the Index as it deems necessary in relation to the remediation of such Index error (in each case in accordance with the principles and methodology of the Index) and follow the procedures set out in Appendix 2, Section 15 ("Changes to Methodology") of the Control Framework Summary.

Disruption Events and Consequences

A. Disruption Events

The Index Administrator has discretion to determine whether a disruption event affecting an Index has occurred and which temporary measures to take in response, if any.

A "**Disruption Event**" means, with respect to an Index, any one or more of (i) a General Disruption Event, (ii) an Additional Component Disruption Event, and (iii) where defined in the relevant Index Methodology and/or in the relevant Index Specifications, a "Strategy Specific Disruption Event".

Disruption Events address temporary, operational issues affecting Index calculation and are subject to the Disruption Consequences set out below. For permanent or structural changes requiring methodology adjustment, see "Modification Events and Consequences" below.

"**Data Source**" means, in respect of any Component or Input Data, the source, including but not limited to any publication page, exchange or any other origin of reference, specified in the relevant Index Specifications and/or the relevant Index Methodology containing (or reporting) the prices, levels, rates or other data utilised by the Index Calculation Agent for the calculation of the Index.

References to Data Source shall be construed as referring also to any successor source on which the relevant prices, levels, rates or other data for a Component or Input Data may be disseminated, as determined by the Index Administrator its sole discretion and acting in a commercially reasonable manner.

The Index Administrator may at any time determine to use an alternative data source, which it considers equally robust, having regard to the standard of input data quality as set out in Appendix 2, Section 6 ("Data Sufficiency and Hierarchy of Input Data") of the Control Framework Summary. Such alternative data source shall then be the "Data Source" and will be notified on the Index Administrator's Website.

1. General Disruption Events

All of the below General Disruption Events are applicable to all Components and/or Input Data. Any Additional Component Disruption Event(s) and any "Strategy Specific Disruption Event(s)" shall apply in addition to (and not in replacement of) all the General Disruption Events, except to the extent that any "Strategy Specific Disruption Event" expressly provides that it supersedes or modifies a specific General Disruption Event.

"**General Disruption Events**" mean, on any day, the existence or occurrence of any one or more of the following events, as determined by the Index Administrator in its sole and absolute discretion:

1. the price, level, rate or other measure of any Component and/or Input Data is (i) not published on the relevant Data Source (and, where applicable, the relevant Fallback Data Source), or (ii) is otherwise unavailable or incomplete on any relevant day and at the relevant time or during the relevant timeframe (as applicable) at which such measure is scheduled to be observed for the determination of the Index, ("**Data Source Disruption Event**");
2. the price, level, rate or other measure of any Component and/or Input Data published on any Data Source is, in the determination of the Index Administrator, significantly different to the measure prevailing in the market, or is, in the determination of the Index Administrator, manifestly incorrect (a "**Price Materiality Event**");
3. in respect of any relevant trading venue or reference exchange of a Component and/or any Input Data (i) the failure of any such relevant trading venue or reference exchange to open for

trading during a scheduled trading session, (ii) the early closure thereof prior to its scheduled closing time (without a public announcement within a reasonable amount of time prior to such relevant day as determined by the Index Administrator in good faith and a commercially reasonable manner), or (iii) the suspension, interruption of, or any limitation imposed on, trading in a Component and/or any Input Data during a scheduled trading session ("**Trading Disruption Event**");

4. a change by a relevant trading venue or reference exchange to the trading days, trading hours, settlement or delivery date, or other operational term of or relating to a Component that, as determined by the Index Administrator, (i) applies to a specific date or a limited period (including a holiday closure, a holiday schedule change or a one-off change to a scheduled settlement or expiry date) and (ii) does not change the contract specifications or the methodology for calculating the settlement price on a continuing basis ("**Temporary Contract Term Change**");

5. the occurrence of any trading disruption in respect of any relevant trading venue or reference exchange, and/or any other event or circumstance occurs, which affects the ability of market participants in general to enter into transactions in respect of any Component including, without limitation, a significant widening in the bid/offer, and/or a significant reduction in the liquidity, for trading in a Component (in each case an "**Liquidity Disruption Event**");

6. the Index Administrator and/or any of its affiliates or agents is unable (i) to determine the position(s) and/or transaction(s) necessary to be implemented in accordance with the relevant Index Methodology and/or the relevant Index Specifications, and/or (ii) to access any relevant financial market, trading venue or reference exchange to execute any such position(s) and/or transaction(s), including internal trading and order entry systems; in each case due directly or indirectly to the quality and/or unavailability of Input Data and/or failures in internal systems and/or data/risk processes ("**Position Determination Disruption**").

7. the Index Administrator and/or any of its affiliates or agents is unable, or it is impractical, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) and/or asset(s) to any extent it deems necessary to implement the Index, and/or (ii) realise, recover or remit any proceeds of any such transaction(s) and/or asset(s), including, without limitation, where such inability or impracticability has arisen by reason of any restriction on making new and/or additional investments in any Component(s) ("**Implementation Disruption Event**");

8. any other event(s) or circumstance(s) that prevents, disrupts or impairs the ability of the Index to achieve its economic objective and/or the prompt and/or accurate determination of the level of the Index, and/or any other event(s) or circumstance(s) which causes the Index Administrator to conclude that, as a consequence of any such event(s) or circumstance(s), if the level of the Index were to be determined, it should not be relied upon to represent the market or economic reality that the Index is intended to measure (an "**Index Frustration Event**");

9. the occurrence of a system failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, epidemic, riot or labour disruption or any similar intervening circumstance in respect of or affecting (whether directly or indirectly) any Component and/or Input Data that is beyond the reasonable control of the Index Administrator and/or Index Calculation Agent which the Index Administrator determines prevents, disrupts, or impairs (i) the ability of the Index to achieve its economic objective, (ii) the prompt or accurate determination of the level of the Index, and/or (iii) the ability of the Index Administrator or Index Calculation Agent to perform its role in respect of the Index (a "**Force Majeure Event**"); and/or

10. any other event specified in the relevant Index Description as a "Strategy Specific Disruption Event".

If a Disruption Event has occurred in respect of a Component and that disrupted Component is 'linked' to one or more other Component(s) such that notionally trading or holding exposure to the disrupted Component without simultaneously notionally trading or holding exposure to such other Component(s) would materially alter the Index objective and/or risk profile, then such other Component(s) becomes also an affected Component(s) for the purpose of the application of Disruption Consequences in Section B. For the avoidance of doubt, such linked Components may be based on different underlyings, different asset classes, or different instrument types.

2. Additional Component Disruption Events

"**Additional Component Disruption Event(s)**" means in relation to any Component(s), on any day, the existence or occurrence of any one or more of the events below, in addition to the General Disruption Events.

2.0 Sub-Index Specific Disruptions

Each of the following is an Additional Component Disruption Event in respect of a Sub-Index, as determined by the Index Administrator in its sole and absolute discretion:

1. where a Sub-Index applies these General Index Terms, any Disruption Event or Modification Event has occurred in respect of any Component and/or Input Data of the Sub-Index; and
2. where a Sub-Index does not apply these General Index Terms, any event which, under the rules or description of the Sub-Index (which may be supplemented, amended and updated from time to time) constitutes a disruption or modification event has occurred in respect of any component or input data of the Sub-Index.

Any adjustment, postponement, substitution or other remedy provided for under the rules or description of a Sub-Index (whether under these General Index Terms (where applicable) or the rules or description of the Sub-Index) shall continue to apply within that Sub-Index in accordance with its terms and is not affected by this Section 2.0.

2.1 Third Party Index Specific Disruptions

Each of the following is an Additional Component Disruption Event in respect of a Third Party Index, as determined by the Index Administrator in its sole and absolute discretion:

1. in the determination of the Index Administrator, the level of such Third Party Index contains a manifest error; and
2. any disruption or non-routine adjustment or modification event or similar condition (however described in the rules of the Third Party Index) is determined by the Third Party Index administrator in accordance with the Third Party Index methodology, and is notified or published by the Third Party Index administrator and such notification or publication is made available to the Index Administrator.

Any adjustment, postponement, substitution or other remedy applied by the Third Party Index Administrator under the Third Party Index methodology applies within the Third Party Index and is not affected by this Section 2.1.

2.2 Futures Contract Specific Disruptions

Each of the following is an Additional Component Disruption Event in respect of a Futures Contract, as determined by the Index Administrator in its sole and absolute discretion:

1. a market-wide circuit breaker has been triggered in respect of the underlying reference asset for any Futures Contract, resulting in a halt or suspension of trading in such Futures Contract by the relevant reference exchange or trading venue (a "**Futures Contract Market Halt Event**"); and

2. The relevant future contract reference price in respect of a Futures Contract becomes a "limit price" in respect of any relevant time on any relevant day (meaning that the price of such Futures Contract on the relevant day has increased or decreased from the previous day's settlement price for such Futures Contract by the maximum amount permitted under the applicable rules of the relevant reference exchange) ("**Futures Contract Limit Event**").

"Futures Contract" means any futures contract, with respect to any type or class of underlying instrument or asset, that is a listed instrument on a relevant reference exchange and which is a Component of an Index.

2.3 Listed Options Contract Specific Disruptions

Each of the following is an Additional Component Disruption Event in respect of a Listed Options Contract, as determined by the Index Administrator in its sole and absolute discretion:

1. a market-wide circuit breaker has been triggered in respect of the underlying reference asset for any Listed Options Contract, resulting in a halt or suspension of trading in such Listed Options Contract by the relevant reference exchange or trading venue (a "**Listed Options Contract Market Halt Event**"); and

2. in respect of any Listed Options Contract on futures, or other instruments subject to daily price limit rules, the reference price of such Listed Options Contract or its underlying reference asset becomes a "limit price" on any relevant day (meaning that the price of such Listed Options Contract or its underlying reference asset has increased or decreased from the immediately preceding day's settlement price by the maximum amount permitted under the applicable rules of the relevant reference exchange, and trading at prices beyond such limit is restricted or prohibited) (a "**Listed Options Contract Limit Event**").

"Listed Options Contract" means an options contract, with respect to any type or class of underlying instrument or asset, which options contract is a listed instrument on a relevant reference exchange and which is a Component of an Index.

2.4 Share Specific Disruptions

Each of the following is an Additional Component Disruption Event in respect of a Share, as determined by the Index Administrator in its sole and absolute discretion:

Any suspension of, or limitation imposed on, trading by any relevant trading venue or reference exchange (as determined by the Index Administrator) in respect of a Share, including but not limited to, by reason of movement in price exceeding limits permitted by the relevant trading venue or reference exchange relating to such Share which suspension or limitation may exist or occur at any time during a scheduled trading session.

"Share" means a share that is a Component of an Index.

2.5 Currency Exchange/FX Specific Disruptions

For the purposes of this section and the section entitled "FX Component Modification Events", unless otherwise expressly specified in the relevant Index Specifications or the relevant Index Methodology:

"**Currency**" means any currency forming part of a currency pair to which the Index is exposed, directly or through a Component or Sub-Index, or which is used to convert amounts for the purposes of calculating the Index.

"**Target Currency**" means, in relation to a Currency and the relevant currency pair, the other currency in that pair.

These definitions apply separately to each relevant currency pair. Each currency in that pair shall be considered separately as the Currency, with the other being the Target Currency. References to conversions include notional conversions. A Target Currency need not be the currency in which the Index is denominated.

Each of the following is an Additional Component Disruption Event in respect of a Currency, as determined by the Index Administrator in its sole and absolute discretion:

1. it is or becomes impossible or not reasonably practicable for market participants in general to obtain the exchange rate for a Currency from the source typically used for such Currency exchange rate, or to obtain a firm quote for such Currency exchange rate ("**Exchange Rate Quotation Disruption** ");
2. an event has occurred in or is affecting any jurisdiction for which a Currency is the lawful currency (a "**Currency Jurisdiction**") that generally makes it impossible to convert the applicable Currency into the Target Currency through customary legal channels; or to convert such Currency into the Target Currency at a rate at least as favourable as the rate for domestic institutions located in the relevant Currency Jurisdiction ("**Inconvertibility**");
3. an event has occurred in or affecting any Currency Jurisdiction that generally makes it impossible to deliver (a) the Currency from accounts inside such jurisdiction to accounts outside such jurisdiction, or (b) the Currency between accounts inside such jurisdiction or to a party that is a non-resident of such jurisdiction ("**Non-Transferability**");
4. the exchange rate for a Currency splits into dual or multiple currency exchange rates; ("**Dual Exchange Rate Disruption**");
5. a change by the relevant monetary authority over the rate at which the Currency trades against other currencies, including but not limited to, the imposition or removal of an exchange rate peg ("**Changes in Monetary Policy**");
6. a default, event of default, or other similar condition or event (however described) with respect to any security or indebtedness for borrowed money of, or guaranteed by, any applicable Governmental Authority (as defined below, a "**Governmental Authority Default**"), including, but not limited to:

   (a) the failure of timely payment in full of any principal, interest, or other amounts due (without giving effect to any applicable grace period(s)) in respect of any such security, indebtedness or guarantee;

   (b) a declared moratorium, standstill, waiver, deferral, repudiation, challenge of the validity, restructuring or rescheduling of any principal, interest, or other amounts (whether or not due) in respect of any such security, indebtedness, or guarantee; or

   (c) the amendment or modification of the terms and conditions of payment of any principal amount, interest, or other amounts due in respect of any such security, indebtedness, or guarantee without the consent of all holders of such obligation.

   For these purposes, the determination of the existence or occurrence of any default, event of default, or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness or guarantee; and

7. any expropriation, confiscation, requisition, nationalisation or other action by a Governmental Authority in a Currency Jurisdiction occurs which deprives or seeks to deprive market participant(s) in general of all or substantially all of their assets in any relevant jurisdiction ("**Governmental Appropriation**").

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative, executive, legislative or other governmental authority, or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Currency Jurisdiction (which with respect to the euro shall include the European Union, as well as any member state thereof from time to time the currency of which is the euro).

2.6 CDS and CDS Index Specific Disruptions

Capitalised terms used in the following disruption events, and in the section of these General Index Terms titled "Part 3 – Asset Class & Instrument Specific Risks: CDS and CDS Indices", (but not defined in these General Index Terms) shall have the meaning (if any) given to such terms in the relevant Index Specifications and/or the relevant Index Methodology, and otherwise shall have the meaning given in the 2014 ISDA Credit Derivatives Definitions (as may be amended, updated and/or superseded) as published by the International Swaps and Derivatives Association, Inc ("**ISDA**").

Each of the following is an Additional Component Disruption Event in respect of a CDS and CDS Index, as determined by the Index Administrator in its sole and absolute discretion:

1. **M(M)R Restructuring Event**

   If in respect of one or more Reference Entities (and a relevant CDS of the relevant CDS Index) a DC Credit Event Announcement has occurred in respect of a Credit Event to which M(M)R Restructuring is applicable then such Reference Entity(ies) will be deemed removed from the relevant CDS Index on the Index Business Day following such announcement (or such later date, which will be as soon as reasonably practical thereafter as determined by the Index Administrator acting in good faith and in a commercially reasonable manner) and the Index will reflect:

   (a) the performance of the revised CDS Index (in accordance with the applicable Index calculation terms of the relevant Index Specifications and/or relevant Index Methodology); and

   (b) a separate long position (the position of a seller of protection) in a single name market standard credit default swap referencing the Reference Entity in respect of which the M(M)R Restructuring has occurred and reflecting the economic terms and conditions applicable to such Reference Entity prior to its removal from the CDS Index (each an "**Excluded Single-Name CDS**").

   As soon as reasonably practical, the Index Calculation Agent shall calculate a close-out amount for the Excluded Single-Name CDS (the "**Close-Out Amount**").

   The Index Calculation Agent shall determine the Close-Out Amount (including, without limitation and where applicable, the quantum, basis, timing, date, process and any other consideration with respect to such Close-Out Amount and its determination) in its sole discretion acting in good faith and in a commercially reasonable manner, having regard to (i) the ability of the Index to achieve its economic objective, (ii) the prompt and/or accurate determination of the level of the Index, and/or (iii) any such other matters or factors as the Index Calculation Agent considers relevant, necessary and/or desirable, in its sole discretion acting in good faith and in a commercially reasonable manner and in accordance with Appendix 2, Section 14 ("Expert Judgment and Discretion") of the Control Framework Summary.

For the purposes of determining the Close-Out Amount, the Index Administrator will notionally unwind the Excluded Single-Name CDS position, which notional unwind may be as a whole or in weighted portions of such size and number as it shall determine.

In doing so the Index Administrator may consider factors including, but not limited to, the size of the notional Excluded Single-Name CDS position and whether there is a liquid market for CDS referencing the affected Reference Entity.

With respect to each such notional unwind, the Index Calculation Agent may seek quotations of such type and otherwise on such basis as it shall determine.

Such quotations may be sought on or prior to the Index Business Day following the date on which the relevant Credit Derivatives Determinations Committee publishes the Final List of Deliverable Obligations in respect of the Credit Event that is the subject of the M(M)R Restructuring Event, or otherwise any such quotation(s) may be sought on such date(s) and at such time(s) as the Index Calculation Agent may determine.

In respect of any quotation(s) that the Index Calculation Agent may seek in respect of the notional unwind of the Excluded Single-Name CDS position, as a whole or in any portions, the Index Calculation Agent may, if applicable in relation to the relevant quotations that have been obtained, determine a mid-quote as the arithmetic average of such relevant bid and ask quotations received (if any).

Where the Excluded Single-Name position is unwound in portions the position in the Excluded Single-Name CDS shall be proportionally reduced as of such Index Business Day(s) and time(s) as determined by the Index Administrator.

In respect of each Index Business Day, the change in mark-to-market of the portion of the Excluded Single-Name CDS position that has not yet been closed-out, and the loss from closing-out any portion of the position in the Excluded Single-Name CDS on such Index Business Day, shall be reflected in the CDS Daily Return as determined by the Index Administrator.

The Index Administrator shall deduct the Close-Out Amount from the CDS Daily Return, and/or otherwise adjust the return, level or value of the Index to reflect the Close-Out Amount, at such time and in such manner as determined by the Index Administrator in its sole discretion acting in good faith and in a commercially reasonable manner.

2. **No Auction Disruption Event**

If (i) the relevant Credit Derivatives Determinations Committee resolves not to hold an Auction or to cancel an Auction, or (ii) for any other reason no Auction is held in respect of the relevant Reference Entity following an Event Determination Date, the Index Administrator shall calculate the relevant default loss in respect of an Index Business Day (the "**Default Loss**").

The Index Administrator shall determine the Default Loss (including, without limitation and where applicable, the price, value, quantum, quotation basis, quotation amount, valuation date, valuation timing, instrument, process and any other consideration with respect to such Default Loss and its determination) in its sole discretion acting in good faith and in a commercially reasonable manner, having regard to (1) the ability of the Index to achieve its economic objective, (2) the prompt and/or accurate determination of the level of the Index, and/or (3) any such other matters or factors as the Index Administrator considers relevant, necessary and/or desirable, including such credit default swap auction settlement terms, rules, methodology and/or protocol, as may be published by ISDA and current at the relevant time, as the Index Administrator determines, in each case in its sole discretion acting in good faith and in a commercially reasonable manner and in accordance with Appendix 2, Section 14 ("Expert Judgment and Discretion") of the Control Framework Summary.

The Index Administrator shall apply such determined Default Loss to the calculation of the Index level, and/or to the calculation of such other attribute (as may be specified in the relevant Index Specifications and/or the relevant Index Methodology) in respect of the Index, any CDS Index and/or any relevant CDS, as determined (and at such time and in such manner as determined) by the Index Administrator in its sole discretion acting in good faith and in a commercially reasonable manner.

"**CDS**" means any one or more Component(s) that is a credit default swap.

"**CDS Index**" means any Component that is an index comprised of, or in respect of, one or more (i) credit default swap(s), and/or (ii) index or indices that are in turn comprised of, or in respect of, (a) any credit default swap(s)(each a "**CDS Sub-Index**"), and/or (b) any one or more CDS Sub-Index, in each case whether or not any such index is created, sponsored and/or administered by Nomura International plc or any of its affiliates (each CDS Index together the "**CDS Indices**").

B. Disruption Consequences

If, in the determination of the Index Administrator, a Disruption Event has occurred or is occurring in respect of any Component and/or Input Data, then the Index Administrator may in its discretion, with a view to preserving the objective of the Index, take one or more of the following actions set out under General Disruption Consequences and Additional Component Disruption Consequences below or under any "Strategy Specific Disruption Consequences" set out in the relevant Index Specifications and/or the relevant Index Methodology (and in each case may instruct the Index Calculation Agent accordingly).

The General Disruption Consequences are applicable to all Components and/or Input Data. Any Additional Component Disruption Consequences and "Strategy Specific Disruption Consequences" shall apply in addition to (and not in replacement of) all the General Disruption Consequences, except where an Additional Component Disruption Consequence or "Strategy Specific Disruption Consequence" expressly provides that it supersedes or modifies a specific General Disruption Consequence.

For purposes of these Disruption Consequences, "**Back-Stop Date**" means the 10th (tenth) Index Business Day following the initial occurrence of a Disruption Event.

1. General Disruption Consequences

If, in the determination of the Index Administrator, a Disruption Event has occurred or is occurring in respect of any Component and/or Input Data, then the Index Administrator may take one or more of the following actions in its discretion, with a view to preserving the objective of the Index (and in each case may instruct the Index Calculation Agent accordingly):

1. suspend calculation and/or publication of the level of the Index, until the relevant Disruption Event no longer exists, provided that, if such Disruption Event is continuing on the Back-Stop Date, then the Index Administrator will determine the level of the affected Component and/or Input Data in accordance with (4) below; and/or
2. continue calculation of the Index but publish only an indicative (non-official) value in respect of each Index Business Day on which a Disruption Event is continuing until the Back-Stop Date, with a notice that the value is indicative and subject to adjustment; and/or
3. delay or cancel any rebalancing in whole or in part of the Index, based on, but not limited to, the positions that could have been implemented up to the occurrence of such Disruption Event, by a hypothetical investor who (i) has been holding notional positions equal to those held by the Index prior to such Index rebalancing date, and (ii) is seeking to reach positions equal to

the rebalancing order determined in accordance with the relevant Index methodology for such date, and make any necessary adjustments to the methodology for the calculation of the Index to account for such delay or cancelation, until the relevant Disruption Event no longer exists, provided that, if such Disruption Event is continuing on the Back-Stop Date, then the Index Administrator will determine the level of the affected Component and/or Input Data in accordance with (4) below; and/or

4. determine the value or level, as applicable, of the affected Component(s) and/or Input Data, with consideration to the relevant Disruption Event, the latest available value or quotation, as applicable, of the affected Component(s) and/or Input Data, and the price that would have been achieved by a hypothetical investor who, as applicable, (i) has been holding notional positions equal to those held by the Index prior to such Index's rebalancing date, and (ii) is seeking to reach positions equal to the rebalancing order determined in accordance with the relevant Index methodology for such date, as well as any other information the Index Administrator deems relevant in its discretion. For this purpose the Index Administrator may use its own internal models and/or any other data sources or information as it reasonably considers necessary, having regard to the standard of input data quality for the Index as determined by the Index Administrator during the design of the Index, as set out in Appendix 2, Section 6 of the Control Framework Summary ("Data Sufficiency and Hierarchy of Input Data") (and where such Input Data is disrupted in relation to the determination of an average price for a Component, the Index Administrator may determine the overall average price instead of individual disrupted snap times for such average price); and/or

5. temporarily remove any affected Component at a price, value or amount determined by the Index Administrator in a commercially reasonable manner and adjust the Index calculation to account for such removal; and/or

6. temporarily replace any affected Component or its Data Source, where it considers in its sole and absolute discretion that a similar or comparable alternative is available which preserves the objective of the Index; and/or

7. make any temporary adjustments to the methodology for the calculation of the Index as the Index Administrator deems necessary to account for the relevant Disruption Event, provided that such adjustments do not alter the fundamental investment objective or strategy of the Index.

Upon the Index Administrator determining that a Disruption Event has ceased to exist, any temporary adjustments, removals, or replacements implemented under items 5, 6, or 7 above shall be unwound unless the Index Administrator determines that the circumstances warrant continuation or transition to a Modification Event.

2. Additional Component Disruption Consequences

"**Additional Component Disruption Consequences**" mean in relation to a Component or Input Data, one or more of the below referenced actions the Index Administrator may take in its discretion, with a view to preserving the objective of the Index (and in each case may instruct the Index Calculation Agent accordingly):

2.0 Intraday Index Disruption Consequences

1. ***Supersedes General Disruption Consequence item 3 -*** cancel or delay any rebalancing in whole or in part ("a **Relevant Rebalancing**"), based on, but not limited to, the positions that could have been implemented up to the occurrence of such Disruption Event, and after such Disruption Event ends if ending before the end of the execution window for such Relevant Rebalancing, by a hypothetical investor who (i) has been holding notional positions equal to

those held by the Index prior to such Index rebalancing, date, and (ii) is seeking to reach positions equal to the rebalancing order determined in accordance with the relevant Index Methodology for such date (and make any relevant adjustments to the methodology for calculating the Index that it deems appropriate to account for such delayed or cancelled Relevant Rebalancing); and/or

2. determine not to update, restate or correct average prices, or any other intraday or end-of day calculations, which were determined intraday or end-of-day based on affected Input Data; and/or to calculate the Index using one or more average prices which were determined based on affected Input Data.

Modification Events and Consequences

Except as provided in this part entitled "Modification Events and Consequences", the Index Administrator and the Index Calculation Agent for each Index will, subject as provided below, employ the methodology described in the relevant Index Description with respect to calculating and determining the relevant Index level, and their application of such methodologies shall (in the absence of manifest error) be conclusive and binding.

A "Modification Event" differs from a "Disruption Event" in that it represents a permanent, structural, or long-term change affecting the Index that cannot be addressed through the temporary measures set out in the Disruption Consequences section. Modification Events typically require permanent adjustments to the Index methodology or, in severe cases, termination of the Index.

While the Index Administrator expects to employ the methodology described in the relevant Index Description at all times, market, legal, regulatory, judicial, financial, fiscal or other circumstances may arise (including, but not limited to, any changes to, or any suspension or termination of, or any other events affecting, an Index and/or any Component and/or any Input Data, as the case may be, or any other events affecting the integrity of any Input Data or ability of a third party Data Source to supply any necessary Input Data for purposes of calculating the Index) that would, in the view of the Index Administrator, necessitate or make desirable a modification or change of such methodology in order to preserve the Index purpose and the integrity of Index determinations.

The Index Administrator reserves the right to make such modifications as it may, in its sole and absolute discretion determine to be necessary, subject to governance and procedures as set out in Appendix 2, Section 15 ("Changes to Methodology") of the Control Framework Summary.

In making any such modifications, the Index Administrator, will seek to ensure that such modifications or changes will result in a methodology that is consistent with the objective of the relevant Index. The Index Administrator and Index Calculation Agent do not owe any fiduciary duties to any person or entity in respect of an Index and are not required to take the interests of any person or entity into account in making any such modifications with respect thereto.

The specific circumstances constituting Modification Events, and the consequences available to the Index Administrator in response to such events, are set out in the sections below titled "Modification Events," and "Modification Consequences."

Notwithstanding the occurrence of a Modification Event and its consequences as referenced below, the Index Administrator shall be entitled to make changes to the relevant Index Description in order to (i) correct any manifest error contained in such Index Description, (ii) cure, correct or supplement any ambiguity contained in such Index Description, or (iii) increase the transparency of such Index Description. Such changes may be made at any time without notice.

A. Modification Events

A "**Modification Event**" means, with respect to an Index, the existence or occurrence of any one or more of (i) a General Modification Event (ii) an Additional Component Modification Event, and/or (iii) where defined in the applicable Index Specifications and/or the applicable Index Methodology, any "Strategy Specific Modification Event".

1. General Modification Events

The General Modification Events apply to each Index. Any applicable Additional Component Modification Event(s) and any "Strategy Specific Modification Event(s)" specified in the relevant Index Specifications apply in addition to (and not in replacement of) all the General Modification

Events, except to the extent that any "Strategy Specific Modification Event" expressly provides that it supersedes or modifies a specific General Modification Event.

"**General Modification Event**" means, on any day, the existence or occurrence of any of the following events, as determined by the Index Administrator in its sole and absolute discretion:

1. **Events relating to a Component:**

   (a) a Component is no longer available (whether due to a permanent discontinuation of trading, disappearance or otherwise) without there being a successor acceptable to the Index Administrator ("**Cancellation Event**");

   (b) any event or any condition (including without limitation any event or condition that occurs as a result of the enactment, promulgation, execution, ratification, interpretation or application of, or any change in or amendment to, any law, rule or regulation by an applicable governmental authority) that results in an illiquid market for trading in a Component ("**Illiquid Market Event**"); and/or

   (c) any term of a Component is (i) changed or modified by the relevant trading venue or reference exchange (including, without limitation, any change(s) or modification(s) in the contract specifications, the delivery or settlement date, the month of expiration, the methodology for calculating the settlement price, the rules and/or procedures governing the trading, the clearing or settlement, and/or any other related matters) or (ii) otherwise subject to any order, ruling, directive or law of any government or regulatory agency or body, in each case other than a Temporary Component Term Change, and in each case in a manner which has or will have a material adverse effect on an Index ("**Component Term Change Event**");

2. **Events relating to Input Data:**

   (a) any Input Data and/or related Data Source used to calculate an Index is discontinued or otherwise ceases to be available without there being a successor acceptable to the Index Administrator ("**Cessation Event**");

   (b) the price, level, rate or other measure in respect of any Input Data published on a Data Source is repeatedly different to a significant extent to the measure prevailing in the market, or is repeatedly manifestly incorrect, in each case in the determination of the Index Administrator, ("**Continuous Price Materiality Event**");

   (c) the relevant Data Source changes the content, composition, or frequency of publication of, or changes the formula for or method of determining such Input Data, in a manner which has or will have a material adverse effect on the Index ("**Index Input Material Change Event**");

   (d) any Input Data is no longer sufficient to represent accurately and reliably the market and economic reality that such Index is intended to measure, or is otherwise not appropriate ("**Non-Representative Even**t"); and/or

   (e) any Input Data no longer meets the standard of input data quality for the Index as determined by the Index Administrator during the design of the Index, as set out in Appendix 2, Section 6 of the Control Framework Summary ("Data Sufficiency and Hierarchy of Input Data")("**Data Quality Event**");

3. a Disruption Event (i) has been continuing for a significant time, (ii) is unlikely to cease in the near future, or (iii) has a permanent effect on the Index and its calculation, each as determined by the Index Administrator ("**Continued Disruption Event**");

4. an error or defective provision in any part of the methodology contained in an Index Description ("**Methodology Error Event**");

5. the adoption of or any change in any applicable law or regulation, or the promulgation of, or any change in the interpretation by, any court, tribunal or regulatory authority with competent jurisdiction over any applicable law or regulation (including any action taken by a taxing authority), where the Index Administrator determines in its sole and absolute discretion that (x) the performance by the Index Administrator or Index Calculation Agent of their respective roles has or will become unlawful, impracticable or would result in materially increased costs to them, (y) the Index Administrator or any of its affiliates, in whole or in part, for any reason would be prevented from holding, acquiring or disposing of any Component(s), or (z) the cost of trading in any Component(s) for the Index Administrator or any of its affiliates has materially increased (including, without limitation, due to any increase in tax liability, decrease in tax benefit, capital requirement or other adverse effect on its tax position) ("**Change in Law Event**");

6. the Index Administrator or any of its affiliates would incur a materially increased cost (including but not limited to (x) any amount of tax, duty, expense or fee, and/or (y) any capital requirements), to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to implement the Index (as applicable), or (ii) realise, recover or remit any proceeds of any transaction(s) or asset(s) ("**Increased Cost of Index Implementation Event")**;

7. the Index Administrator or the Index Calculation Agent (after using commercially reasonable efforts) ceases to have, if so required, the relevant data licence and/or index licence in respect of any Component and/or Input Data ("**License Cessation Event**"); and/or

8. any market, legal, regulatory, judicial, financial, fiscal or other circumstances arise relating to the composition, administration, operation, and/or implementation of an Index, which were not reasonably foreseeable by the Index Administrator as of the date of the relevant Index Description and which have not been deliberately caused by the Index Administrator, and such circumstances would in the sole determination of the Index Administrator necessitate or make desirable a modification of the methodology described in the relevant Index Description in order to preserve the Index purpose and integrity of Index determinations ("**Unforeseeable Index Event**").

2. Additional Component Modification Events

"**Additional Component Modification Events**" mean in relation to a Component, on any day, the existence or occurrence of any one or more of the below referenced events, as determined by the Index Administrator in its sole discretion:

2.0 Sub-Index Modification Events

a) Succession

If a Sub-Index is terminated by Nomura International plc, or any of its affiliates, and replaced by a successor Index using, in the determination of the Index Administrator, the same or a substantially similar formula for and method of calculating as that of the affected Sub-Index, or if none, a successor Index with the same or similar investment objective as the affected Sub-Index and that is acceptable to the Index Administrator, then, such successor Index (a "**Successor Sub-Index**") shall be deemed to become the relevant Sub-Index and the Index Administrator may, acting in good faith, make such temporary or permanent adjustments to the terms and methodology of an Index as it deems appropriate in its sole discretion acting in good faith and in a commercially reasonable manner to account for such change (and such replacement and/or adjustment will be deemed to be effective as of the date determined by the Index Administrator).

b) Modification Events applicable to a Sub-Index

Modification Events applicable to a Sub-Index shall include, the existence or occurrence of the following on any day, as determined by the Index Administrator in its sole and absolute discretion:

1. a Sub-Index is terminated and discontinued by any Nomura Group entity or any Nomura Group entity announces (including through an agent, if applicable) its intention to permanently cancel a Sub-Index or its intention to cease to calculate and announce a level for that Sub-Index, without there being a Successor Sub-Index (or successor component thereof) by any period less than or up to fifteen (15) Index Business Days ("**Sub-Index Cancellation**").

2.1 Third Party Index Modification Events

a) Succession

If a Third Party Index is either:

1. not calculated and announced by the relevant Third Party Index's sponsor or administrator or calculation agent but is calculated and announced by a successor sponsor or administrator or successor calculation agent acceptable to the Index Administrator; or
2. replaced by a successor index using, in the determination of the Index Administrator, the same or a substantially similar formula for and method of calculating as that of the affected Third Party Index,

then, in the case of paragraph **1.** above, the affected Third Party Index shall continue to be a Third Party Index, and in the case of paragraph **2.** above such successor index (a "**Successor Third Party Index**") will be deemed to become a Component and shall replace the affected Third Party Index, and, in each case the Index Administrator may, acting in good faith, make such temporary or permanent adjustments to the terms and methodology of an Index as it deems appropriate in its sole discretion acting in good faith and in a commercially reasonable manner to account for such change (and such replacement and/or adjustment will be deemed to be effective as of the date determined by the Index Administrator).

b) Modification Events applicable to a Third Party Index

Modification Events applicable to a Third Party Index shall include, the existence or occurrence of any one or more of the following events on any day, as determined by the Index Administrator in its sole discretion:

1. an announcement of (i) a material change in the formula and/or method of calculating such Third Party Index (or any component thereof), or (ii) a change that in any other way materially modifies such Third Party Index (or any component thereof), other than a change that is prescribed in the index description (as of the inception date) of the relevant Third Party Index (or component thereof);
2. a Third Party Index (or any component thereof) is terminated and discontinued by its sponsor or administrator (or by the sponsor or administrator of such component thereof) without there being a Successor Third Party Index (or a successor component thereof), or ceases to exist or is no longer tradable (each as determined by the Index Administrator); or
3. any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a Third Party Index or of its administrator or sponsor, has not been, or will not be, obtained or renewed or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case, with the effect that the Index Administrator is not, or will not be permitted under any applicable law or regulation to use (including to implement positions in) such Third Party Index.

2.2 Futures Contract Modification Events

a) Succession

If a Futures Contract is either:

1. not calculated or quoted by or traded on the relevant reference exchange (as determined by the Index Administrator in its sole and absolute discretion) but is calculated or quoted by or traded on a successor exchange acceptable to the Index Administrator; or
2. replaced by a successor futures contract having, in the determination of the Index Administrator in its sole and absolute discretion, the same or substantially similar terms as the affected Futures Contract,

then, in the case of paragraph **1.** above, the affected Futures Contract shall continue to be a Component, and, in the case of paragraph **2.** above, such successor futures contract (a "**Successor Futures Contract** ") will be deemed to become a Component and shall replace the affected Futures Contract, and, in each case, the Index Administrator may, acting in good faith, make such modifications and adjustments to the terms and methodology of an Index as it deems appropriate in its sole discretion acting in good faith and in a commercially reasonable manner to account for such change (and such replacement and/or adjustment will be deemed to be effective as of the date determined by the Index Administrator in its sole and absolute discretion).

b) Modification Events applicable to Equity Futures Contract(s)

Modification Events applicable to Equity Futures Contract(s) shall include the existence or occurrence of any one or more of the following events on any day in respect of any one or more Equity Futures Contract(s), as determined by the Index Administrator in its sole and absolute discretion:

1. on or prior to any scheduled trading day, the Underlying Index Administrator announces that it will make a material change in the formula for and/or the method of calculating the index underlying the Futures Contract, or the Underlying Index Administrator in any other way materially modifies the underlying index (other than a modification prescribed in the formula or method to maintain the underlying index in the event of changes in its constituents, capitalisation and other routine events) ("**Underlying Index Modification**"); or
2. on or prior to any scheduled trading day, the Underlying Index Administrator permanently cancels the index underlying a Futures Contract or announces its intention to permanently cancel such underlying index or that it will no longer calculate and announce (including through an agent, if applicable) the level of such underlying index, and in either case no successor underlying index exists that is acceptable to the Index Administrator for the Index to fulfil its objective ("**Underlying Index Cancellation**").

"**Equity Futures Contract**" means a Futures Contract that is linked to one or more (i) shares and/or other equity securities, or (ii) indices in respect of shares and/or other equity securities, each as specified in the relevant Index Specifications and/or the relevant Index Methodology.

"**Underlying Index Administrator**" means, with respect to an index underlying an Equity Futures Contract, the entity responsible for calculating, determining, and publishing the underlying index, as specified in the relevant Index Specifications and/or the relevant Index Methodology or as determined by the Index Administrator.

c) Modification Events applicable to Rates Futures Contract(s)

Modification Events applicable to Rates Futures Contract(s) shall include the existence or occurrence of any one or more of the following events on any day in respect of any one or more

Rates Futures Contract(s), as determined by the Index Administrator in its sole and absolute discretion:

1. the reference exchange or Relevant Authority, as applicable, makes a material change to the Futures Contract specifications, including but not limited to:

   (i) *for government securities futures*: changes to the Deliverable Basket, conversion factor methodology, invoice price calculation, settlement procedures, and/or notional contract size; and

   (ii) *for reference rate benchmark futures*: changes to the contract multiplier, tick size, settlement methodology, or the linkage between the Futures Contract and the Underlying Reference Rate;

   that, in each case in the determination of the Index Administrator, materially affects the economic characteristics and/or comparability of the Futures Contract for the purposes of the Index; and/or

2. (i) *for government securities futures*: the Underlying Sovereign Issuer makes a material change to the methodology, formula, calculation procedures, and/or operational framework for determining the yield curve, pricing conventions, or issuance characteristics of the securities in the underlying Deliverable Basket; and

   (ii) *for reference rate benchmark futures*: the Relevant Authority or the Underlying Reference Rate Administrator makes a material change to the methodology, formula, calculation procedures, and/or operational framework for determining the Underlying Reference Rate;

   that, in each case as determined by the Index Administrator, materially affects the economic characteristics and/or comparability of the securities in the underlying Deliverable Basket, the Underlying Reference Rate or the Futures Contract for the purposes of the Index; and/or

3. (i) *for government securities futures*: the relevant Underlying Sovereign Issuer permanently ceases regular issuance of government securities in the maturity range specified for the Futures Contract's Deliverable Basket, or announces its intention to do so; and

   (ii) *for reference rate benchmark futures*: the Relevant Authority or Underlying Reference Rate Administrator permanently cancels the Underlying Reference Rate, announces its intention to permanently cancel the Underlying Reference Rate, or ceases to provide, publish, calculate, or announce (including through an agent, if applicable) the Underlying Reference Rate and no successor underlying reference rate, successor administrator, or acceptable alternative exists as determined by the Index Administrator; and/or

4. (i) *for government securities futures*: the Futures Contract or the underlying government securities of the Deliverable Basket cease to be authorised for trading, clearing, and/or settlement by the applicable regulatory authority (including but not limited to the US CFTC, US SEC, or equivalent non-US regulatory authority), or the reference exchange loses its regulatory authorisation to operate the Futures Contract; and

   (ii) *for reference rate benchmark futures*: the Underlying Reference Rate ceases to be authorised, registered, recognised, endorsed, or otherwise approved by the Relevant Authority (including but not limited to cessation of compliance with the EU Benchmarks Regulation, UK Benchmarks Regulation, or other applicable benchmark regulation);

   and in each case no alternative regulatory-compliant benchmark or contract acceptable to the Index Administrator (in its sole and absolute discretion) exists; and/or

5. (i) *for government securities futures*: the reference exchange fails to publish settlement prices, conversion factors, Deliverable Basket specifications, and/or other essential data with respect to the Futures Contract on any scheduled publication date; and

(ii) *for reference rate benchmark futures*: the Underlying Reference Rate is not published or announced on any scheduled publication date;

and, in each case, such non-publication or announcement, as applicable, continues for more than ten (10) consecutive scheduled publication dates, or the Index Administrator determines in its sole and absolute discretion that the pricing mechanism, settlement data, and/or Underlying Reference Rate has become unavailable or unreliable as a reference for the Futures Contract.

"Rates Futures Contract" means a Futures Contract that is linked to (i) a government security and/or an interest rate (or other rate) benchmark, or (ii) an index in respect of (i), each as specified in the relevant Index Specifications and/or the relevant Index Methodology.

"Underlying Reference Rate" means, with respect to a Rates Futures Contract, the interest rate benchmark, reference rate, or government security upon which the Rates Futures Contract is based, as specified in the relevant Index Specifications and/or the relevant Index Methodology, including but not limited to government securities such as U.S. Treasury securities, overnight reference rates such as SOFR or SONIA, or other interest rate benchmarks.

"Deliverable Basket" means, with respect to a Rates Futures Contract, the government securities upon which the Rates Futures Contract is based, including but not limited to government securities such as U.S. Treasury securities, as defined and published by the relevant reference exchange.

"**Relevant Authority"** means, with respect to an Underlying Reference Rate, the regulatory body, central bank, governmental entity, exchange, or supervisory authority responsible for regulating, supervising, authorising, or overseeing the Underlying Reference Rate or its Underlying Reference Rate Administrator.

"**Underlying Reference Rate Administrator"** means, with respect to an Underlying Reference Rate, the entity responsible for calculating, determining, and publishing the Underlying Reference Rate, as defined and published by the relevant reference exchange.

"Underlying Sovereign Issuer" means, with respect to a Deliverable Basket, the government issuing the government securities, as defined and published by the relevant reference exchange.

2.3 Listed Options Contract Modification Events

a) Succession

If a Listed Options Contract is either:

1. not calculated or quoted by or traded on the relevant reference exchange (as determined by the Index Administrator in its sole and absolute discretion) but is calculated or quoted by or traded on a successor exchange acceptable to the Index Administrator; or
2. replaced by a successor listed options contract having, in the determination of the Index Administrator in its sole and absolute discretion, the same or substantially similar terms as the affected Listed Options Contract,

then, in the case of paragraph **1.** above, the affected Listed Options Contract shall continue to be a Component, and, in the case of paragraph **2.** above, such successor listed options contract (a "**Successor Listed Options Contract** ") will be deemed to become a Component and shall replace the affected Listed Options Contract, and, in each case, the Index Administrator may, acting in good faith, make such modifications and adjustments to the terms and methodology of an Index as it deems appropriate in its sole discretion acting in good faith and in a commercially reasonable manner to account for such change (and such replacement and/or adjustment will be deemed to be effective as of the date determined by the Index Administrator in its sole and absolute discretion).

b) Modification Events applicable to an Equity Listed Options Contract

1. Where the underlying reference asset of an Equity Listed Options Contract is an Equity Futures Contract, the Additional Component Modification Events applicable to Equity Futures Contracts, set out in the "Futures Contract Modification Events" section above, shall apply *mutatis mutandis* in respect of each such underlying Equity Futures Contract, to the extent that the relevant event, as determined by the Index Administrator in its sole and absolute discretion, materially affects the economic characteristics and/or comparability of the relevant Equity Listed Options Contract for the purposes of the Index.

2. Where the underlying reference asset of an Equity Listed Options Contract is an index, Modification Events applicable to an Equity Listed Options Contract shall include the existence or occurrence of any one or more of the following events on any day, as determined by the Index Administrator in its sole and absolute discretion:

   (i) on or prior to any scheduled trading day, the Underlying Index Administrator announces that it will make a material change in the formula for and/or the method of calculating the index underlying the Listed Options Contract (being the underlying index), or the Underlying Index Administrator in any other way materially modifies the underlying index (other than a modification prescribed in the formula or method to maintain the underlying index in the event of changes in its constituents, capitalisation and other routine events) ("**Underlying Index Modification**"); or

   (ii) on or prior to any scheduled trading day, the Underlying Index Administrator permanently cancels the index underlying the Listed Options Contract or announces its intention to permanently cancel the underlying index or that it will no longer calculate and announce (including through an agent, if applicable) the level of the underlying index, and in either case no successor underlying index exists that is acceptable to the Index Administrator for the Index to fulfil its objective ("**Underlying Index Cancellation**").

"Equity Listed Options Contract" means, a Listed Options Contract that is linked to one or more (i) shares and/or other equity securities, or (ii) indices in respect of shares and/or other equity securities, or (iii) Equity Futures Contract(s), each as specified in the relevant Index Specifications and/or the relevant Index Methodology

"Underlying Index Administrator" means, with respect to an index underlying a Listed Options Contract, the entity responsible for calculating, determining, and publishing the underlying index, as specified in the relevant Index Specifications and/or the relevant Index Methodology or as determined by the Index Administrator.

c) Modification Events applicable to Rates Listed Options Contracts

Where the underlying reference asset of a Rates Listed Options Contract is a Rates Futures Contract, the Additional Component Modification Events applicable to Rates Futures Contracts set out in the "Futures Contract Modification Events**"** section above, shall apply mutatis mutandis in respect of each such Rates Futures Contract, to the extent that the relevant event, as determined by the Index Administrator in its sole and absolute discretion, materially affects the economic characteristics and/or comparability of the relevant Rates Listed Options Contract for the purposes of the Index.

"Rates Listed Options Contract" means, a Listed Options Contract that is linked to (i) a government security and/or interest rate (or other rate) benchmark, or (ii) an index in respect of (i), or (iii) any Rates Futures Contract(s), each as specified in the relevant Index Specifications and/or the relevant Index Methodology.

2.4 Share Modification Events

Modification Events applicable to a Share shall include the existence or occurrence of any one or more of the following events on any day, as determined by the Index Administrator in its sole and

absolute discretion:

1. the adoption of, or change in, any applicable law or the promulgation of, or any change in the interpretation of, any applicable law, by a court, tribunal, regulatory authority with competent jurisdiction, and/or any relevant exchange, which, in each case, has resulted in a prohibition, restriction or any other adverse impact on short-selling with respect to a Share (whether having an impact for obtaining or offering synthetic exposure to short-selling, implementing a rebalancing in relation to such Share, or for acquiring, establishing, re-establishing, substituting, maintaining, unwinding, or disposing of any position in relation to such Share necessary to implement the Index); or

2. (i) the adoption of, or announcement of, or any change in, any applicable law, rule regulation, order, sanction, or directive of any governmental, administrative, legislative or judicial authority or power, in each case, relating to financial sanctions and embargo programmes, including but not limited to, any restrictions applicable to designated or blocked persons, as enacted, administered and/or enforced, from time to time, by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, His Majesty's Treasury Department of the United Kingdom, the United Nations, the European Union or other relevant authority (for the purposes of this paragraph an "**Applicable Sanctions Law**"); or

   (ii) the promulgation of, or any change in the formal or informal interpretation of, any Applicable Sanctions Law by a court, tribunal or regulatory authority with competent jurisdiction, which, in either case, has resulted in any adverse impact on obtaining or offering synthetic exposure to a Share, implementing a rebalancing in relation to such Share, or for acquiring, establishing, re-establishing, substituting, maintaining, unwinding, or disposing of any position in relation to such Share necessary to implement the Index; or

3. the adoption of, or change in, any applicable law, including, without limitation Section 871(m) of the U.S. Internal Revenue Code of 1986, or any other tax law, or the promulgation of, or any change in the interpretation of, any applicable law, by a court, tribunal, regulatory authority with competent jurisdiction (including any action taken by a taxing authority), which, in each case, has resulted in a prohibition, restriction or any other adverse impact for obtaining or offering or maintaining synthetic exposure to a Share, including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position for a non-U.S. holder of such Share.

2.5 FX Component Modification Events

The following is a Modification Event in respect of a Currency or Target Currency, each as defined in the section entitled "Currency Exchange/FX Specific Disruptions", as determined by the Index Administrator in its sole and absolute discretion:

1. such Currency or Target Currency ceases to exist and is replaced by a new currency.

B. Modification Consequences

Upon the occurrence of a Modification Event, the Index Administrator may in its discretion, to account for any effects such event has on the relevant Index, make such modifications to the methodology described in the relevant Index Description of such Index as it deems appropriate and in accordance with Appendix 2, Section 15 of the Control Framework Summary ("Changes to Methodology").

Up to and until the modification(s) are fully implemented, the Index Administrator may take one or more of the actions listed or referred to under the section "Disruption Consequences" in these

General Index Terms (including, but not limited to, delaying or cancelling any Index rebalancing in whole or in part and/or suspending calculation and publication of the Index Level).

If the Index Administrator determines that no modification or adjustment would preserve the objective of the Index and/or such modifications or adjustments are not economically, operationally, legally or otherwise feasible (after using commercially reasonable efforts), then the Index Administrator may cancel and terminate the Index in accordance with the provisions under these General Index Terms titled "Termination of an Index" set out below.

1. General Modification Consequences

Modifications may include, but are not limited to:

1. (a) removing any affected Component(s), Input Data and/or their Data Source or replacing any of the same with an alternative instrument, component, variable or source (a "**Replacement**") which, in the Index Administrator's sole determination, is consistent with the objective of the relevant Index and, where possible, is (as applicable) of the same or equivalent standard of quality as any Input Data and/or Data Source used prior to the occurrence of the Modification Event, and having regard to the relevant Index's standard of input data quality, as determined by the Index Administrator during the design of the Index, as set out in Appendix 2, Section 6 of the Control Framework Summary ("Data Sufficiency and Hierarchy of Input Data"); and

   (b) for the purpose of a removal or replacement of an affected Component the Index Administrator may make any other adjustments to the methodology described in the relevant Index Description to account for the price or value of the affected Component at the time of its removal or replacement and any related charges, fees, taxes or costs to the Index Administrator for implementing the Replacement; and/or

2. increase or decrease any of the notional costs in respect of an Index which are set out in the related Index Description, if the Index Administrator determines, in its sole and absolute discretion, that the costs that a hypothetical investor would incur in investing in, rebalancing, maintaining positions in, or synthetically replicating the performance of, or transactions or positions linked to, that Index or its Components have increased or decreased (as the case may be), and/or

3. permanently changing the frequency of calculation and/or rebalancing of the relevant Index; and/or

4. making any other adjustments, modifications and/or replacements relating to the Index which the Index Administrator deems appropriate to preserve the objective of the relevant Index and maintain such Index as tradable and replicable.

The above Modifications are applicable to all Components and/or Input Data. If so specified in the relevant Index Specifications and/or the relevant Index Methodology, any "Strategy Specific Modification Consequences" shall apply in addition to (not in replacement of) all General Modification Consequences, except where a "Strategy Specific Modification Consequence" expressly provides that it supersedes or modifies a specific General Modification Consequence.

Termination of an Index

Whilst the Index Administrator endeavours to maintain continuity for all of its Indices, in certain circumstances the termination of an Index may be required. The Index Administrator may terminate the calculation and publication of an Index where it determines that continuation of the Index is no longer appropriate or practicable, subject to the governance procedures set out in the Control Framework Summary (available on the Index Administrator's Website).

Termination may be required where the Index Administrator determines that the circumstances giving rise to a Modification Event cannot be adequately addressed through Component and/or Input Data replacement, removal, or methodology amendment without fundamentally altering the Index objective, or where continuing the Index would be impracticable, unlawful, or inconsistent with the Index's stated purpose.

Reasons that may necessitate termination of an Index may include, but are not limited to:

1. lack of investment in the Index or insufficient market interest to justify continuation;
2. unavailability of underlying market or data inputs without suitable alternatives;
3. input data no longer being sufficient to accurately and reliably represent the market or economic reality the Index is intended to measure;
4. impracticability or impossibility of maintaining the Index from an operational perspective;
5. the Index no longer meeting its objective and a change to the relevant Index methodology not being feasible or appropriate;
6. regulatory or legal changes making continuation of the Index unlawful or impracticable; and/or
7. commercial factors, including the cost of maintaining the Index relative to the market demand.

The procedures for Index termination, including governance approvals, stakeholder notification, consultation requirements, and notice periods, are set out in Appendix 2, Section 17 ("Termination of Indices and Transitional Arrangements") of the Control Framework Summary available on the Index Administrator’s Website.

On the termination date, the Index Administrator shall publish a final Index level calculated in accordance with the relevant Index methodology (or, if calculation in accordance with the relevant Index methodology is not possible, determined by the Index Administrator in a commercially reasonable manner). Following publication of the final Index level, no further Index levels will be calculated or published.

The Index Administrator and the Index Calculation Agent do not owe fiduciary duties to any person or entity in respect of the Index termination decisions and shall not be liable for any losses arising from the termination of an Index.

Risk Factors

Risk factors relating to a synthetic investment in an Index are set out below. This section does not purport to describe all of the risks associated with an investment in an Index. The relevant Index Specifications and/or the relevant Index Methodology may include further risk factors specific to an Index, its Components, its Input Data and/or its calculation methodology, and additional risks and uncertainties relating to an Index that are not currently known to, or considered material by, Nomura, may individually or cumulatively also have a material adverse effect on the Index. If any such risk should occur, the performance of the Index may decline and investors in financial products linked to the Index could lose all or part of their investment.

An investment in a financial product linked to the Index involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial and/or other adviser(s)) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Potential investors should consider carefully whether an investment in a financial product linked to the Index is suitable for them in light of the information in the materials provided with respect to the financial transaction linked to an Index and the relevant underlying components and their personal circumstances. In particular, potential investors should note that an investment in such Index may not reflect the return that could be realised from a direct investment in any one or more of the underlying components.

Financial products and transactions which are linked to an Index are suitable only for investors who:

1. if distributed into the US, are or are advised by investment advisors that are qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933, as amended; and if distributed into Singapore, are Institutional Investors as defined in Securities and Futures Act, Chapter 289, as amended; and if distributed into the UK, are not retail clients as defined in the FCA Handbook (UK retail distribution is restricted);
2. have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the financial transaction linked to an Index;
3. understand thoroughly the terms and conditions of the financial transaction linked to an Index and are familiar with the relevant underlying and markets and how the performance thereof may affect the payments and value of the financial transaction linked to an Index;
4. have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation and the impact the financial products will have on their overall investment portfolio;
5. have sufficient financial resources and liquidity to bear all of the risks of an investment in the financial transaction linked to an Index; and
6. have reviewed thoroughly all of the materials provided with respect to the financial transaction linked to an Index and the relevant underlying, including the risk factors set forth or referred to below.

A. Part 1 - General Index Risks

This Part 1 addresses market and other risks arising in respect of an Index, its Components, and the Input Data used to calculate the Index.

These risks should be read in conjunction with (i) Part 2 (Index Feature Risks) — which addresses certain risks that apply to certain features of an Index and its Components (such as Leverage or

Volatility-Scaling Mechanism); (ii) Part 3 (Asset Class & Instrument Specific Risks) — which addresses risks specific to the asset classes and instrument types comprising the Index, and (iii) Part 4 (Risks Associated with Features of the Calculation Methodology) — which addresses risks arising from the methods, data sources, and processes used to calculate the Index.

Investors should also refer to (i) the relevant Index Specifications and/or the relevant Index Methodology for additional applicable risk factors, and (ii) (where applicable) other index description or rules relating to any Sub-Index and Third Party Index that is a Component.

1. Potential Loss of Entire Investment

The value of an Index depends on the performance of the Components, each of which may increase or decrease in value from time to time, and the frequency and extent of any such decrease may be significant and/or rapid. An Index and/or any of the Components may not include any element of capital protection (in whole or in part) or any form of guaranteed return or any other mitigation of any loss of capital or loss of value. The value of any Component, or of an Index itself (and of any investment or product linked to the Index), may fall below its respective initial value.

If a floor or other such mitigation against a total loss of value is not specified to be applicable in respect of an Index and/or any Component(s) then the value of that Index or such Component(s) may fall below zero and may have a negative value. In this case an investment or product linked to such Index may incur losses which exceed the notional value and/or investment amount of such investment or product.

If a floor or other such mitigation against a loss of value is specified to be applicable in respect of an Index and/or any Component(s) then the value of that Index or such Component(s) may still fall to zero but may not fall below zero. In such a case, the value may remain at zero and any investment or product linked solely to such Index may have lost all of its value and/or investment amount, in which case there will be no opportunity or prospect for the recovery of any such value and/or amount lost.

2. Components

Weighting of the Components

If the Components of an Index are rebalanced, then the Index will assign a certain weight to each Component on each rebalancing based on the applicable weighting algorithm. The actual weight of each Component may however vary following each rebalancing and may be different than the assigned weights. The longer the period between each rebalancing, the greater the likelihood that there will be a significant variance between the absolute values of the weights of the Components, and the Index may therefore have an exposure to a Component further below or in greater excess of its assigned weight than it would if the period between each rebalancing were shorter, which may result in a greater skewing of the absolute nature of the investment positions with respect to the Components and increase the overall risk profile of the Index currency exchange.

Corrections

If the value of a Component is corrected after the Index Calculation Agent has used such value in calculations to determine the Index, the Index Calculation Agent and the Index Administrator may use the original value and not the corrected value.

In particular, in the event that the value of any Component, which is used for the calculation of the weight or quantity (as applicable) of any Component, or any Input Data, in relation to an Index is corrected after such time as it is used in the Index, the Index Administrator shall be under no obligation to use such corrected value and may use the weight or quantity (as applicable) as calculated before such correction. Consequently, the performance of an Index may differ, potentially

materially, from the performance had any such corrected value(s) been used, and the return on any investment or financial product linked to the Index may decrease.

3. Notional Exposure

No Rights

The exposure to the Components provided by an Index is purely notional and will exist solely in the records maintained by or on behalf of the Index Administrator. Investors in any investment or financial product linked to an Index (1) have no legal or beneficial ownership interest in any Component and therefore have no recourse to any Component; (2) have no right to take delivery of any Component; (3) have no voting rights with respect to any Component; and (4) have no right to receive dividends, distributions or other payments with respect to any Component.

Total Return

If the Index is in a "total return" format, it will include the notional reinvestment of amounts calculated by reference to any dividend, distribution or payment that would be received by a holder of a Component (or, if the Index is comprised of unfunded instruments or derivatives contracts, the total return shall include a return from a notional investment in "risk-free" assets). If the Index is not in a "total return" format, it will not include any such notional reinvestment.

In respect of an Index comprised of Components that are equities, the Index Calculation Agent may assume a notional tax rate for dividends. The effective tax rate may be different from the assumed notional tax rate depending on a number of factors that may change from time to time.

If an Index that is calculated on a total return basis includes Components that are calculated on an excess return basis, the risks outlined below under "Excess Return" may apply.

Excess Return

If the Index is in an "excess return" format, it will be calculated based on changes in the price of a notional portfolio of unfunded instruments or derivatives excluding any notional collateral returns. If specified in the relevant Index Methodology and/or the relevant Index Specifications, such a portfolio may be constructed synthetically with funded instruments (as described for a total return strategy), from which is deducted a notional investment in "risk-free" assets. Accordingly, an excess return strategy will underperform a related total return strategy, where there are positive risk-free rates.

No active management

Unless an Index is specified as an ‘actively managed’ Index, the weight or quantity assigned to a Component on each relevant rebalancing day is determined by applying an algorithm operating within pre-determined rules. As such there will be no active management of an Index so as to enhance returns beyond those embedded in an Index.

Market participants are often able to adjust their investments promptly in view of market, political, financial or other factors, and an actively managed product could potentially respond more directly and appropriately to immediate market, political, financial or other factors than a non-actively managed strategy. In contrast, the algorithm for an Index will rebalance the weights or quantities to their specified values on each relevant rebalancing day.

4. Fees and Costs

Where costs and charges are specified in the relevant Index Methodology and/or the relevant Index Specifications, an Index is calculated so as to include deductions that synthetically reflect the transaction and servicing costs that a hypothetical investor would incur if such hypothetical investor were to enter into, maintain, vary and/or terminate a series of direct investment positions to provide

the same exposure to the Components of such Index. Calculations in respect of an Index may also be subject to deductions of other costs and charges. Deductions can vary over time depending on a number of factors including, but not limited to, underlying positioning size, rebalance frequency and any allocation(s) in respect of any underlying instrument(s). Investors in the Index and/or any financial product linked to the Index should note that the actual costs and charges, including of implementing the exposure such Index takes to its Components, may be lower or higher than the transaction and servicing costs that such hypothetical investor would incur and, if they were lower, may result in such investors being in a worse position than if they were to maintain direct investment positions in such Components as any such investor will not share in any cost savings or other benefits.

If the Index represents a leveraged exposure to the Components, the impact of the fees and/or costs will be magnified accordingly.

Under certain market conditions (such as Index disruption or modification events), the Index Administrator may determine to increase significantly the costs that are deducted from the Index, and there may be no fixed limits on the levels of these costs. Further, although a period of such market conditions may last only a short time, the increased cost could be deducted from an Index for an extended period of time. This could materially adversely affect the performance and value of an Index.

5. Third Party Data

The Index Calculation Agent relies upon third party brokers or external dealers and other external and internal sources to obtain certain inputs necessary to compute the value of an Index. The inability of the Index Calculation Agent to source necessary data to calculate the relevant formulae of an Index may affect the value of such Index. In addition, the Index Administrator and the Index Calculation Agent make no warranty as to the correctness or completeness of that information and take no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the value of an Index. Products linked to an Index may be exposed to more or less risk, or perform better or worse, based upon the inputs received from such third party suppliers or sources, than an actual investment in or linked to one or more of the Components.

6. Index Disruptions, Adjustments and Modifications

Disruptions

Upon the occurrence of certain events in respect of a Component or data inputs used to calculate the Index (specified as 'Disruption Events' in the Index Description), such as but not limited to, a lack of liquidity in the underlying markets of a Component, a market fragmentation, the participation of speculators and government regulation and intervention in such underlying markets, or transaction data sources becoming insufficient, inaccurate, unreliable or absent, then the Index Administrator may take various actions including, amongst other things: (i) postpone any relevant rebalancing or calculation of the Index (in part or in full), (ii) suspend the publication and dissemination of the Index Level, (iii) exercise discretion in the calculation of the Index Level and estimate the value of a disrupted Component or (iv) make any other adjustments to the methodology and/or relevant Input Data and/or data sources in order to calculate the Index Level. If the Index Administrator takes any such actions, this could have a negative effect on the Index performance to a significant extent.

An Index is also reviewed periodically to ensure that, amongst other matters, any Input Data used in the determination of the Index remains appropriate, sufficient, and reliable to accurately reflect the market or economic reality that the Index is intended to measure, including in response to market conditions. Changes to the Input Data used and/or the Data Sources may therefore become necessary to ensure that these standards are met on an ongoing basis.

Changes in the Components

Where a Component ceases to exist or is no longer tradable, (including as a result of Nomura International plc discontinuing a Component of which it is a sponsor or administrator) and there is no successor acceptable to the Index Administrator; or where the Index Administrator would be prevented from entering into any transaction(s) in respect of a Component (including one for which a Nomura Group member is the sponsor or administrator) by any applicable law or regulation, the Index Administrator may (but is not obliged to) substitute such affected Component where it considers in its sole and absolute discretion that a similar alternative is available or may otherwise remove the affected Component.

In such case the Index Administrator may make any other adjustments to the relevant Index to account for the price or value of the affected Component at the time of its removal and any related costs and charges. This may mean that the economic benefit, if any, of the replacement Component is reduced or that the replacement has a material adverse effect on the relevant Index performance. For example, and without limitation, the value of the replacement Component may be adjusted by the same proportion as any fall in the value of the affected Component at the time of its removal, relative to when such Component became subject to the circumstances prompting its replacement, and may be further reduced to account for any costs and charges to the Index Administrator for implementing the replacement Component.

Modifications and Adjustments

The Index Administrator has the authority to amend the methodology of an Index and/or make such adjustments to the methodology of an Index as it considers appropriate, in each case in its sole discretion acting in good faith, in order to take into account events or changes in the relevant underlying markets or to preserve the investability and objective of the Index (including cancelling and terminating the Index in certain circumstances). Such action taken, or discretion exercised, by the Index Administrator may result in benefits to Nomura International plc or any member of the Nomura Group and/or losses to an investor in the Index and/or in any product linked to the Index.

7. Index Termination

The Index Administrator has the right to permanently cancel and discontinue calculating and publishing an Index at any time. There is no guarantee that an Index will continue to be calculated for the full duration of any product and/or transaction linked to that Index.

If an Index is terminated, any product and/or transaction linked to such Index may, depending on the terms of such product and/or transaction, be terminated early at a value reflecting a level of that Index that may be considerably less than the last published level of the Index, and such level may even be zero or negative.

8. Back-Testing and Historical Data

Past Performance is no guide to Future Performance

The historical levels of an Index or a Component should not be viewed as an indication of future performance. The actual performance of the Index or a Component during any future period may bear little or no relation to its historical performance. No one can predict with any degree of certainty the future performance of an Index or its Components. This will be particularly the case in periods of greater market stress.

Any information about the performance of any Component provided by the Nomura Group will be or has been furnished as a matter of information only, and an investor in a product linked to an Index should not regard the information as indicative of the range of, or trends in, fluctuations in the levels

or values that may occur in the future. Such information will likely differ from the actual values and levels used to determine the level of an Index.

Lack of Operating History

An Index may have been recently established and has only been calculated since its respective inception date and therefore does not have sufficient data upon which to evaluate long-term performance over various economic cycles. No historical performance data in respect of an Index will be available prior to such inception date. Additionally, there may only be limited historical performance data with respect to an Index and the Components comprising and/or referenced by an Index. An investment linked to such Components and Index may therefore involve greater risk than an investment linked to an Index with a proven track record. While a longer history of actual performance could provide more reliable information on which to assess the validity of an Index and on which to base an investment decision, the fact that an Index and its Components are relatively new would not allow this. There can be no guarantee or assurance that an Index or its Components will operate in a manner consistent with the data available. If such historical data is not available, or is incomplete for any particular day, the Index Administrator may use alternate sources of data in place of such historical data, and/or may substitute alternative values (which may be determined by the Index Administrator), as it deems necessary to calculate a hypothetical level of such Index. Any performance information for periods prior to the inception of the Index represents simulated returns based on back-tested data intended to illustrate how the Index may have performed had it been created in the past, but those simulations are subject to many limitations. Unlike actual historical performance, such simulations do not reflect actual trading, liquidity constraints and other factors that may affect the results obtained from such back-tested data, and so should not be considered indicative of the actual results that might be obtained from an investment in an Index, and the actual performance of an Index may vary significantly from the results obtained from back-testing. Unlike an actual performance record, simulated results are achieved by means of the retroactive application of a back-tested model which was itself designed with the benefit of hindsight and knowledge of factors that could have affected its performance. In addition, the model used to simulate these hypothetical returns is based on certain data, assumptions and estimates. Different models or models using different data, assumptions and estimates might result in materially different hypothetical performance. Due to inherent limitations in hypothetical performance results, there may frequently be significant differences between hypothetical performance results and the actual results subsequently achieved.

9. Conflicts Of Interest

Discretion

The Index has been developed by Nomura International plc, as Index Administrator. As Index Administrator Nomura International plc is responsible for and has determinative influence over the composition and maintenance of an Index. The potentially subjective judgments that Nomura International plc, as Index Administrator, makes in connection with the composition and maintenance of an Index could have an adverse effect on the level of the respective Index (including where such an Index is a Component of another Index) and could present a conflict of interest of the kind described in the part of these General Index Terms entitled "Potential Conflicts of Interest".

Nomura International plc maintains certain discretion, including without limitation (i) to determine whether certain types of disruption and/or modifications events have occurred, (ii) to determine any resulting adjustments and calculations, and (iii) to make such other determinations, adjustments or modifications necessary to calculate the level of an Index. The exercise by Nomura International plc of these kinds of discretion will have a direct impact on the level of an Index. Nomura International plc has no obligation to take the interests of any other party into consideration when exercising any discretion or making any determinations with respect to any Index.

All determinations made by the Index Administrator and/or the Index Calculation Agent (in those instances where Nomura is appointed as such) shall be at its sole discretion acting in good faith and in a commercially reasonable manner, unless otherwise specified in the relevant Index Specifications and/or the relevant Index Methodology, and shall be conclusive for all purposes and will bind all investors of any products linked to an Index.

Pre-hedging and Hedging

The Index has been designed by Nomura International plc with the intention of earning a profit for the Nomura Group through entering into transactions linked to such Index, including pre-hedging and hedging transactions. Pre-hedging and hedging activities conducted by Nomura International plc, or any members of the Nomura Group, relating to an Index involve trading in the related Components, which in some cases are or may become of low liquidity. It is possible that Nomura International plc's or any of the Nomura Group members' pre-hedging and hedging activities in relation to an Index will lead to movements in the underlying markets that could adversely affect the performance of an Index. Additionally, in the course of its trading activities, Nomura International plc and members of the Nomura Group may take long or short positions in related instruments that may affect the values of the Components. Nomura International plc or any of the members of the Nomura Group may realise a profit in connection with pre-hedging and hedging activities regardless of whether the level of an Index increases or decreases. Nomura International plc cannot give any assurance that those pre-hedging and hedging activities will not affect the value of an Index and, therefore, adversely affect the value of any product or transaction linked to an Index or the return on such investment.

Information and Data

Nomura Group may have access to information relating to any Input Data, a Component, investments linked thereto and the Index, in each case which it is not obliged to use for the benefit of any person investing in any financial products linked to an Index. Nomura Group may publish research or express opinions or provide recommendations that are inconsistent with investing in products linked to an Index and which could negatively affect the performance of the Index.

Trading activities

The Nomura Group is a full-service financial services firm engaged in a range of market activities. Nomura Group may issue, arrange for the issue of, or enter into financial instruments referenced to an Index or any of the Components of such Index and arrange for the distribution of these financial instruments, including the payment of distribution fees and commissions to any intermediaries. These activities could adversely affect the level of an Index and any of its Components and may present the Nomura Group with a conflict of interest of the kind described in the part of these General Index Terms entitled "Potential Conflicts of Interest".

B. Part 2 - Index Feature Risks

This Part 2 addresses certain risks associated with certain features of an Index and its Components.

Investors in an Index or a financial product linked to an Index should refer to the relevant Index Specifications and/or the relevant Index Methodology to identify if the relevant features addressed by the risk statements below are applicable to an Index and its Components and, accordingly, refer to the applicable sections below.

1. Multiple Components

If an Index is composed of multiple Components, then the performance of the Index reflects the overall return of the Components as weighted according to the applicable Index strategy. The return

of the Index does not reflect the return of any particular Component in that case. For example, even if one Component performs positively, the Index may perform poorly depending on the return of the other Components and the applicable weighting algorithm.

2. Correlation Between Components

The correlation between the Components will affect the return of an Index. For instance, if there is high correlation during periods of negative return contributions of Components, the performance of the Index may be adversely affected. Further, correlation assumptions applied in the design of an Index may not hold and correlation could change, which may adversely affect the Index performance.

3. Short Exposure to a Component

If the methodology of an Index specifies that the Index will take a short position in a Component, then the Index will provide a negative exposure to such Component by virtue of attributing a weight of less than zero to it. The level of such Index will be negatively affected if the value of such Component should increase, and positively affected if the value of such Component should decrease. Therefore, investors should be aware that an investment linked to such Index may decline in value in a period, if the value of such a short position Component increases during that timeframe. Further, given that such short positions may create exposure to uncapped losses, increases in the value of such a short position Component could result in a decrease in the Index level that is greater than the weight in respect of such Component, and as such may result in the level of the Index falling to zero, or even to a negative value below zero.

4. Leverage

An Index may embed leverage. Leverage may result in the magnification of positive Index performance, but leverage also magnifies the risk that the performance of the Index will be adversely affected to a significant extent, should the level of long position Components decrease and/or the value of short position Components increase. If the weights of any of the Components decrease the Index will have a reduced participation to such Components and may underperform, as compared to an Index where the weights of any of the Components are increased or is greater, so that participation and exposure to such Components is greater. Consequently, the loss associated with any financial product linked to such Index could be substantial.

5. Volatility-Scaling Mechanism

An Index may have a periodic volatility-scaling mechanism, which aims to provide a notional volatility-controlled exposure to the Components. This is achieved by periodically increasing or decreasing the exposure to the Components based on the realised volatility of the Components over a certain period of time relative to a pre-determined volatility target. However, because this mechanism relies on past trends to make adjustments to future positions, it is unlikely that the Index will achieve the pre-set target volatility for any given period of time. The actual volatility of the Index overall, as well as the volatility of the Components, will likely differ – perhaps significantly – from the pre-set targeted volatility.

A volatility-scaling mechanism can result in an underperformance of an Index compared to a similar Index without such feature in periods where the value of a Component in which an Index holds a synthetic long position is increasing and, at the same time, the realised volatility exceeds the volatility target.

If the methodology of an Index specifies that the volatility-scaling mechanism is subject to an upper limit and/or a lower limit, then even if actual volatility of the Index is below the target, the Index cannot increase its exposure by more than the upper limit factor. On the other hand, if actual volatility is well above the target, the Index cannot reduce its exposure by more than the lower limit factor.

Upper limits and lower limits are intended to prevent very large or sudden changes in the Index's exposure. If the Index reduces its exposure to a notional position that proves to be advantageous, the effect of any gains achieved from holding such position will be reduced. Conversely, if the Index increases its exposure to a notional position that proves to be disadvantageous, the effect of any losses achieved from holding such position will be enhanced.

Furthermore, a volatility-scaling mechanism may operate in a manner and in a timeframe that may not reflect and/or respond to rapid and/or significant market changes immediately or at the same time, and so potentially result in losses that, during periods of market stress and/or abnormality, may be greater than might otherwise occur.

6. Currency Exchange Rate Risk

Each Index is calculated in the Index Currency. If the currency of any Component is different from the Index Currency, then such Index will be exposed to currency exchange rate risks. When the Index is calculated, the value of a Component and any profit or loss attributed to holding such Component, is converted to the Index Currency. The impact of currency movements on the Index depends on whether the currency of the Component strengthens or weakens against the Index Currency. If a Component currency weakens, this may reduce the Index value even if the Component itself performs well. Conversely, if a Component currency strengthens, this may enhance the Index value.

The impact of the currency exchange rate risks on an Index is higher where Components consist of funded instruments (e.g. stocks) versus Components that consist of unfunded instruments (e.g. futures). Where Components are unfunded instruments, only the profit(s) and loss(es) they generate are exposed to movements in the applicable currency exchange rate(s) versus the Index Currency. Where Components are funded instruments, both profit(s) and loss(es), as well as the notional investment amount in each such Component, are exposed to movement in the applicable currency exchange rate(s) versus the Index Currency.

Changes in a particular currency exchange rate result from the interaction of many factors directly or indirectly affecting economic and/or political conditions, including rates of inflation, interest rate levels, balance of payments among countries, the extent of governmental surpluses or deficits and other financial, economic, military and political factors, among others. Historical currency exchange rates should not be considered indicative of future currency exchange rates.

For further risks related to currency exchange rates, please see the part in these General Index Terms below titled "Foreign Exchange Rates".

If the relevant Index methodology specifies that the Index includes a currency hedge feature in respect of one or more of its Components that are denominated in a currency other than the Index Currency, such currency hedging feature will seek to minimise to a certain extent the effects of currency exchange rate fluctuations in the relevant currency. A currency hedging feature may be employed by way of notional foreign exchange spot transactions or the inclusion of foreign exchange forward Components in the Index, synthetic cash deposits or as otherwise described or specified in the relevant Index Methodology and/or the relevant Index Specifications. Any currency hedging feature will prove ineffective if relevant money markets perform in a different direction or to a different extent from that intended in the implementation of the currency hedging.

C. Part 3 - Asset Class & Instrument Specific Risks

This Part 3 addresses the principal market, structural, and operational risks associated with an Index and its Components. The risk disclosures are organised by asset class (Interest Rates, Foreign Exchange, Equities, Commodities, Credit) and by instrument type (Futures Contracts, Hypothetical Forwards, Options, CDS Contracts). Investors in an Index or a financial product linked to an Index should refer to the relevant Index Specifications and/or the relevant Index Methodology to identify the asset class and instrument type of each Component and refer to the applicable sections below.

1. Interest Rates

Interest rate-linked Components are subject to a distinct set of market, structural, and operational risks. The following section addresses the principal risks arising from exposure to interest rate instruments, including cash bonds, futures contracts, swaps, and swaptions.

1.0 Interest Rates Volatility

Interest rates are subject to significant and unpredictable fluctuations driven by a complex interplay of macroeconomic, monetary policy, and market sentiment. A Component linked to interest rate instruments will be subject to volatility due to a variety of factors, including without limitation: (i) inflation expectations and actual inflation data; (ii) central bank monetary policy decisions, forward guidance, and policy rate changes; (iii) credit quality and credit spread dynamics; (iv) capital market performance and risk appetite; and (v) macroeconomic conditions including employment, growth, and fiscal policy. Changes in any of these factors may cause interest rates to rise or fall sharply and unexpectedly, which may negatively impact the level of the Index.

1.1 Interest Rate and Bond Futures Contracts differ from Physical Bonds and Interest Rate Benchmarks

Interest rate and bond futures contracts are standardised derivative instruments that may diverge materially from the performance or risk exposure of the underlying physical government securities or interest rate benchmarks.

Where Components consist of futures contracts on government securities and/or on interest rate benchmarks, divergence can occur because (i) the theoretical price of a government securities futures contract is linked to the price of the underlying deliverable security, compounded by the risk-free rate of borrowing, so that as financing conditions change (including changes in the applicable repurchase agreement, or "repo", rate for such security) the relevant rate may deviate significantly from the risk-free rate used in the relevant pricing model, creating a divergence between the futures price and the spot price; (ii) a government securities futures contract references a notional security of specified maturity and notional coupon and typically permits the seller to select which of a basket of eligible securities to deliver, so that the contract tends to price by reference to the security that is cheapest to deliver from time to time, which security may change as yields and the shape of the yield curve change, with the effect that the interest rate sensitivity of the futures contract may differ from, and vary relative to, that of any individual physical security; (iii) futures contracts on overnight reference rates typically settle by reference to a compounded or averaged series of daily fixings of the relevant reference rate over the contract reference period, and not to the level of such rate observed on any single date, so that the relevant Component reflects that rate with a lag and in a dampened manner; and (iv) the carry of a futures contract (being the net cost or benefit of maintaining the position over time) is different from the carry of the corresponding physical securities or interest rate benchmark, and the difference between them will vary with the shape of

the yield curve, prevailing financing rates and market expectations for the future path of official interest rates. Such differences in carry may positively or negatively affect the return of the Index.

While the changes in the price of such a futures contract are generally correlated with changes in the price of the related physical securities or the level of the related interest rate benchmark, such correlation is not exact and, in some cases, the performance of the futures contract can deviate significantly, especially over longer periods of time. Accordingly, investments linked to the return of such futures contracts may differ from, and may underperform, similar investments that are based on the prices of the related physical government securities or on the level of the related interest rate benchmark.

1.2 Rolling of Interest Rate Futures

The following describes risks specific to rolling Components that consist of interest rate futures. For general futures rolling mechanics, transaction costs, liquidity risks, and disruption event procedures applicable to all futures contracts, see "Futures Contracts: General Mechanics" below.

For interest rate futures, roll yield is determined by the shape of the yield curve and, for government bond futures, by short-term financing (repo) rates relative to bond yields. A long position generates positive roll yield in a normal curve (long-term rates > short-term rates) and negative roll yield in an inverted curve; a short position experiences the opposite.

Where an Index holds both long and short positions, either condition can produce negative roll yield and adversely affect Index performance. Additionally, for government securities futures, the cheapest-to-deliver security and deliverable basket composition may vary between contract months, changing the interest rate sensitivity and embedded delivery optionality of the position on each roll.

1.3 Hypothetical Interest Rate Swap Forwards

If any Components consist of hypothetical interest rate swap forwards in particular currencies with particular tenors, the price of each hypothetical interest rate swap forward reflects the expected value of the applicable interest rate swap at some point in the future. While the changes in the price of an interest rate swap forward will generally correlate with changes in the value of the applicable interest rate swap, such correlation is not exact. Accordingly, investments linked to the return of any interest rate swap forward(s) may underperform similar investments that are based on the actual value of the applicable interest rate swap(s).

The price data for Components that are hypothetical interest rate swap forwards is not publicly available. The Index Administrator determines the price of each such Component by using a firm-wide proprietary yield curve model. There is no single accepted market-standard method for determining the yield curves of such Components, and the prices determined by the Index Administrator may differ from prices determined through alternative methods or from prices of actual interest rate swap forwards. For additional risks related to the use of proprietary models in Index calculations, see "Internal Models" under Part 4 (Risks Associated with Features of the Calculation Methodology) below.

The Index Administrator determines the price of each such Component by referencing data that is predominantly publicly available relating to the applicable foreign exchange spot rate and the applicable interest rate, and by then using a firm-wide proprietary yield curve model that is meant to approximate a market-standard method of determining the price of the applicable Component. The Index Administrator will only broadly validate on an aggregate basis the firm-wide proprietary model and its input data, thus providing a limited quality check. The firm-wide proprietary model used by the Index Administrator may differ in certain respects from alternative methods of determining the yield curve of such Components, and the prices determined by the Index Administrator may therefore differ from prices determined through such alternative methods. There can be no assurance that the prices of these Components determined by the Index Administrator will

correspond to prices of actual interest rate swap forwards. An investor in an Index and/or in any product linked to an Index will not necessarily have access to all of the data used by the Index Administrator in determining the prices of these Components, and such an investor will not be able to determine the prices of these Components on any given day.

1.4 Rolling of Hypothetical Interest Rate Swap Forwards

Components consisting of hypothetical interest rate swap forwards will be "rolled" forward on a periodic basis as specified in the relevant Index Specifications and/or the relevant Index Methodology. At the start of each roll period, each such Component represents a hypothetical interest rate swap forward for commencement at the end of the applicable specified period length (for example, in one month). At the conclusion of each roll period, such Component will have effectively become a "spot" interest rate swap, meaning that settlement will be called for within the next business day. The Component is then "rolled" forward by the same period (for example, one month forward) into a new hypothetical interest rate swap forward for commencement at the end of the period length (for example, in one month), with the notional positions and notional exposure determined as of that day's rebalancing. Rolling of long positions in interest rate swap forwards may generate positive "roll down" market value gains as the swap forward moves closer to expiration when the interest rate curve is "normal" (meaning that long-term interest rates are higher than short-term interest rates, so that where an interest rate swap forward rolls into a shorter maturity, the fixed rate associated with that shorter maturity will logically be lower than the rate previously locked in. The higher prior locked-in rate versus the current lower market rate has the effect that the position accumulates a gain). However, where an Index takes both long and short positions in interest rate swap forwards, either the presence or absence of such conditions in interest rate curves can lead to negative roll down (resulting in a loss of value if the fixed rate locked in is lower than the prevailing swap forward rate) and so adversely affect the level of that Index.

1.5 Interest Rate Swaps and Swaptions are not Traded on Regulated Futures Exchanges

Where any of the Components are interest rate swaps and swaptions the prices of these Components are based on 'over-the-counter' contracts traded on trading facilities that are subject to lesser degrees of regulation than futures contracts traded on regulated futures exchanges or, in some cases, no substantive regulation. As a result, trading in such 'over the counter' contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the same provisions of, and the protections afforded by, the U.S. Commodity Exchange Act, as amended, or other applicable statutes and related regulations that govern trading on regulated futures exchanges. In addition, certain electronic trading facilities may have only recently initiated trading and so would not have significant trading histories. As a result, the trading of contracts on such facilities may expose an investor in an Index and/or in any product linked to an Index, comprised of any such Components, to certain risks not presented by most exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant futures contracts.

2. Foreign Exchange Rates

Foreign exchange rates-linked Components are subject to a distinct set of market, structural, and operational risks. The following section addresses the principal risks arising from exposure to foreign exchange rates instruments, including spot currency exposure, hypothetical foreign exchange forwards (deliverable and non-deliverable) and FX futures contracts.

2.0 Foreign Exchange Rate Volatility

Foreign exchange rates are subject to significant and unpredictable fluctuations driven by a complex interplay of macroeconomic, monetary policy, geopolitical, and market sentiment factors. A Component linked to currency exchange rates will be subject to volatility due to a variety of factors, including without limitation: (i) overall economic growth and performance of relevant countries; (ii) inflation expectations and actual inflation data; (iii) existing and expected interest rate levels; (iv) balance of payments positions and trade relationships; (v) governmental surplus or deficit levels; (vi) stability of governments and banking systems; (vii) monetary, fiscal, and trade policies; and (viii) actions of relevant sovereign governments, including regulation of exchange rates and/or foreign investments, imposition of taxes, currency issuance and/or revaluation.

All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the relevant countries and those of other countries important to international trade and finance, and all of which could have a material effect on the performance of an Index that provides exposure to currency exchange rates. Currency markets may be highly volatile, with significant changes in liquidity and prices occurring within very short periods of time. These factors may affect currency spot rates and the level of an Index that provides exposure to currency exchange rates in varying and potentially inconsistent ways. As a result of these or other factors, the level of such Index may be, and continue to be, volatile.

2.1 Hypothetical Foreign Exchange Rate Forwards

If any Component consists of hypothetical foreign exchange forwards in particular currency pairs with particular tenors, the price of each hypothetical foreign exchange forward reflects the expected value of the applicable currency exchange rate at some point in the future, being the applicable spot exchange rate adjusted by "forward points" which are principally a function of the interest rate differential between the two relevant Currencies over the term of the relevant forward contract. While the changes in the price of a hypothetical foreign exchange forward will generally correlate with changes in the applicable spot exchange rate, such correlation is not exact, as the forward points are also affected by, without limitation, prevailing cross-currency basis, money market and funding conditions, collateral and balance sheet costs, period-end and turn-of-year effects, and any restrictions on the convertibility or transferability of a Currency. Accordingly, investments linked to the return of any hypothetical foreign exchange forward(s) may underperform similar investments that are based on the applicable spot exchange rate. Further, a Component that is a hypothetical foreign exchange forward confers no entitlement to interest on, or to delivery of, either relevant Currency.

Where such Component is a hypothetical non-deliverable forward (NDF) its value is determined by reference to an official or other specified fixing rate rather than by delivery of the relevant Currencies. The official fixing rate may diverge significantly from the onshore or deliverable spot rate prevailing at the relevant time, particularly during periods of market stress or capital controls. This divergence risk is compounded by the fact that fixing rates may be subject to manipulation or suspension by authorities, which could result in unexpected losses. Additionally, NDFs are typically used for currencies with capital controls or convertibility restrictions. Should such restrictions be tightened during market crises, the divergence between the NDF settlement rate and the underlying currency's true market value could be amplified substantially.

2.2 Pricing Methodology for Hypothetical FX Forwards

The price of each Component that is a hypothetical foreign exchange forward is determined by the Index Administrator by reference to observable market data, being the applicable spot exchange rate and the forward or swap points quoted for the relevant currency pair as obtained from the relevant Data Source. Where the tenor required by the relevant Index methodology does not correspond to a tenor for which forward points are quoted, the Index Administrator applies a

formulaic interpolation between quoted standard tenors. The tenors for which forward points are quoted, and the liquidity and reliability of such quotations, vary by currency pair and may vary over time.

The interpolation applied is a mechanical calculation which does not seek to reflect the curvature of the relevant forward curve between quoted tenors, any premium or discount attaching to particular dates (including period ends, turn-of-year or event dates), or the bid/offer spread that would be encountered in transacting an actual foreign exchange forward for the relevant tenor.

Accordingly, the price so determined may differ from the price at which an actual foreign exchange forward of the same currency pair and tenor could be transacted in the market at the relevant time, and there can be no assurance that any such difference will not be material or that it will operate in a manner favourable to the Index. An investor in an Index and/or in any product linked to an Index will not necessarily have access to all of the data used by the Index Administrator in determining the prices of these Components. Where the relevant observable data is unavailable, incomplete or, in the determination of the Index Administrator, unreliable, the determination of such price will be subject to the provisions described under "Disruption Events and Consequences" above and, where applicable, to the risks described under "Internal Marks" and "Internal Models" in Part 4 (Risks Associated with Features of the Calculation Methodology) below.

2.3 Rolling of Hypothetical FX Forwards

Components consisting of hypothetical foreign exchange forwards will be "rolled" forward on a periodic basis as specified in the relevant Index Specifications and/or the relevant Index Methodology.

At the start of each roll period, each such Component represents a hypothetical foreign exchange forward for settlement at the end of the applicable specified period length (for example, in one month). As time passes the remaining term of such Component shortens, so that at the conclusion of each roll period it represents a hypothetical foreign exchange forward for settlement on a nearer date, which may be the next business day following the conclusion of the relevant roll period or otherwise on customary spot terms where the specified period length has elapsed in full.

The Component is then "rolled" forward by closing out the existing position and establishing a new position in a hypothetical foreign exchange forward for settlement at the end of the applicable period length as at that date (which may be the same as, or a different period length from, that of the position closed out), with the notional positions and notional exposure as determined as of that day's rebalancing.

Because the position that is closed out and the position that is established on each roll are referable to different settlement dates, they will ordinarily be priced by reference to different forward points, so that the Index will realise a gain or loss on each roll that is unrelated to any change in the applicable spot exchange rate, the amount of which is principally a function of the applicable interest rate differential and the shape of the relevant forward curve.

Rolling of long positions in hypothetical foreign exchange forwards may generate (i) gains where the interest rates applicable to the Currency to which the Index is long are higher than those applicable to the other relevant Currency, so that the forward points applicable to the new position are favourable relative to the rate previously locked in, and (ii) losses where such interest rates are lower.

However, where an Index takes both long and short positions in hypothetical foreign exchange forwards, either the presence or absence of such conditions in interest rate differentials and cross-currency basis can lead to a loss on the roll, whether or not the applicable spot exchange rate has moved, and so adversely affect the level of that Index.

For general rolling mechanics and operational risks, see "Hypothetical Forwards: General Mechanics" below.

2.4 FX Futures Contracts differ from Spot Exchange Rates and Hypothetical FX Forwards

FX futures contracts are standardised, exchange-traded derivative contracts the prices and returns of which may differ materially from changes in the corresponding spot exchange rates and from the returns on hypothetical foreign exchange forwards.

The price of an FX futures contract is influenced by the relevant spot exchange rate, the interest rate differential between the two relevant currencies, the remaining term of the contract, prevailing funding and cross-currency basis conditions, and supply and demand for the relevant contract. A futures price is not necessarily a forecast of the spot exchange rate at expiration. Changes in these factors may cause the performance of an FX futures contract to differ from, and potentially underperform, an exposure based solely on the relevant spot exchange rate, whether the Index holds a long or a short position.

FX futures contracts also differ from hypothetical foreign exchange forwards because of their standardised contract sizes, expiration dates, exchange trading and clearing arrangements, daily settlement of gains and losses, and delivery or cash-settlement conventions. Daily settlement and the financing or reinvestment of settlement amounts may contribute to differences between futures and forward prices and returns.

The economic direction and amount of an Index's currency exposure depend on the quotation convention, contract multiplier and position direction specified for the relevant FX Futures Contract. A long position in a contract quoted as units of one currency per unit of another currency does not provide the same exposure as a long position in a contract using the reciprocal quotation convention. Conversion of contract prices or profit and loss into the Index Currency may introduce additional currency exchange rate risk.

2.5 Rolling of FX Futures Contracts

The following describes risks specific to rolling Components consisting of FX Futures Contracts. For general futures rolling mechanics and operational risks, see "Futures Contracts: General Mechanics" below.

To maintain exposure beyond the expiration of an FX Futures Contract, the Index will notionally close positions in an expiring or shorter-dated contract and establish positions in a later-dated contract in accordance with the relevant Index Specifications and/or the relevant Index Methodology. Differences between contract prices reflect, among other things, the interest rate differential between the relevant currencies, the time between settlement dates, funding and cross-currency basis conditions, and contract-specific supply and demand.

For a currency pair quoted as units of the quote currency per unit of the base currency, a higher quote-currency interest rate than base-currency interest rate generally corresponds, other things being equal, to a futures price above the spot exchange rate. The reverse interest rate relationship generally corresponds to a futures price below the spot exchange rate. The effect on Index performance depends on the position direction, the evolution of the futures curve and the applicable Index calculation rules; neither relationship guarantees a positive or negative return.

Rolling may adversely affect Index performance even where the relevant spot exchange rate is unchanged. The price difference between the contracts closed and opened does not, by itself, constitute an immediate cash gain or loss equal to that difference. Performance also depends on subsequent price movements, the quantities and weights attributed to each contract, and any applicable costs.

Liquidity and bid-offer spreads may differ significantly between currency pairs and contract months and may deteriorate during market stress or around expiration. The Index's prescribed roll schedule may differ from the timing at which market liquidity transfers between contract months. These factors may increase the costs reflected in the Index or prevent a scheduled roll from being completed. Any resulting Disruption Event will be subject to "Disruption Events and Consequences" above.

2.6 FX Futures Settlement, Exchange and Clearing Risks

Depending on the relevant contract specifications, an FX Futures Contract may settle by delivery of the relevant currencies or by a cash payment determined by reference to a specified exchange rate or fixing. A settlement fixing may differ from other onshore, offshore or executable exchange rates, particularly during periods of market stress, currency controls or market fragmentation. Differences in fixing times, trading hours, holidays and settlement calendars may also affect valuation, rolling and Index performance.

Exchanges, clearing houses and relevant authorities may change margin requirements, position limits, trading restrictions, settlement procedures or other contract terms. Disruption or failure affecting an exchange, clearing house, clearing member or settlement system may impair the ability of market participants to establish, maintain or close positions and may affect the prices used to calculate the Index.

The Index's exposure is entirely notional. Inclusion of an FX Futures Contract does not give an investor ownership of the contract, a right to receive delivery of either currency, or rights against an exchange or clearing house. Nor does inclusion, of itself, impose an obligation on an investor to post futures margin. Any treatment of notional margin, collateral, financing, settlement amounts and related costs in the Index calculation is governed by the relevant Index Specifications and/or the relevant Index Methodology.

2.7 Emerging Market Currency Risks

Emerging market currencies are subject to significant and unpredictable fluctuations driven by macroeconomic, political, regulatory, and market sentiment factors. A Component linked to emerging market currencies faces additional risks beyond those affecting developed market currencies. Capital controls and currency convertibility restrictions may be imposed or tightened during crises, potentially preventing timely settlement or rolling of hypothetical foreign exchange forwards. Such restrictions may also affect the pricing, liquidity, rolling and settlement of FX futures contracts. Where an FX Futures Contract is cash-settled by reference to an emerging market currency fixing, that fixing may diverge materially from executable onshore or offshore exchange rates. Where the contract provides for delivery, currency controls or transfer restrictions may impair delivery or the ability of market participants to maintain or close positions. Where a Component is a non-deliverable forward in an emerging market currency, the risk of divergence between the NDF fixing rate and the true market value is heightened, as capital controls may prevent the emergence of a reliable onshore spot market. Emerging market currencies are frequently subject to managed exchange rate regimes or currency pegs that may be abandoned during periods of external pressure or political change, resulting in sudden and material devaluations. Additionally, emerging market governments may impose new taxes or charges on foreign exchange transactions, increasing the effective cost of rolling or settling forwards. Liquidity in emerging market currency markets is typically limited, with wider bid-offer spreads and reduced depth, particularly for longer tenors or during stress periods. This may prevent the Index from obtaining firm quotations or completing scheduled rolls, in which case the Index Administrator may treat the same as an Exchange Rate Quotation Disruption, an Inconvertibility, or an Implementation Disruption Event. Political instability, sovereign credit risk, and less developed legal and regulatory frameworks create additional uncertainty. As a result, the level of an Index providing exposure to emerging market currencies may be highly volatile.

3. Equities

Equity-linked Components are subject to a distinct set of market, structural, and operational risks. The following section addresses the principal risks arising from exposure to equity instruments, including cash equities (shares), equity futures contracts, and equity options.

3.0 Equity Market and Regulatory Risks

Where any Components are or are linked to the performance of equity securities, the Index is subject to risks associated with securities markets in the relevant jurisdictions, including risks of volatility in those markets, governmental intervention, and cross-shareholdings in companies in certain regions. The availability and quality of publicly disclosed information about companies may vary significantly across different jurisdictions, with some markets having less comprehensive disclosure requirements than others. Companies in different jurisdictions are subject to varying accounting, auditing, and financial reporting standards and requirements, which may differ materially from one another and affect the comparability and reliability of financial information.

The prices of securities issued in these markets may be affected by political, economic, financial and social factors in those countries or global regions, including changes in government, economic and fiscal policies, regulatory frameworks, currency exchange laws, and geopolitical developments. Such factors may impact market liquidity, trading volumes, and the overall stability of the securities markets to which the Index has exposure.

Securities markets in certain jurisdictions, particularly emerging markets and smaller developed markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. Moreover, the economies in such countries may differ from one another in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resources, self-sufficiency, and balance of payment positions, which may affect the performance of securities in those markets.

3.1 Sanctions and Regulatory Restrictions

Governmental regulatory actions, including, without limitation, sanctions-related actions by any government or supranational authority, could prohibit or otherwise restrict persons from holding any of the underlying securities, or engaging in transactions in them, and any such action could adversely affect the value of an Index. These regulatory actions could result in restrictions on the financial product linked to an Index and could result in the loss of a significant portion or all of your initial investment in such financial product, including if you are forced to divest such financial product due to government mandates, especially if such divestment must be made at a time when the value of the financial product has declined.

3.2 Trading Halts, Circuit Breakers and Market Disruptions

Equity markets are subject to temporary distortions, disruptions, market fragmentation, periodic liquidity declines, the participation of speculators and government regulation and intervention. In addition, some exchanges have regulations that temporarily limit the amount of price fluctuation that may occur during a single business day or over a specified interval. For equity index futures and other equity derivatives, trading halts typically coordinate with the underlying cash equity markets, though the specific implementation may vary by exchange and contract. These limits are generally referred to as "circuit breakers" and attempt to moderate volatility by enforcing a temporary halt in trading. The maximum or minimum price that an equity security may trade over a given window is referred to as a "limit price" and once this threshold is passed, trading is paused. Circuit breakers are generally based on either the movement of a broad market index (e.g. the S&P 500 Index), with

any halts being applied to the entire market, or are share-specific, whereby halts are only applied to the impacted security. These circumstances could adversely affect the level of an Index.

3.3 Cash Equities (Shares)

Where Components consist of shares, the Index is subject to risks inherent to share ownership. Share prices fluctuate based on company-specific performance, industry conditions, macroeconomic factors, interest rates, and investor sentiment, potentially resulting in substantial gains or losses over short periods. Shares are also subject to corporate actions - including mergers, acquisitions, spin-offs, rights issues, stock splits, special dividends, and tender offers - which can materially affect the value and composition of Index holdings. The Index's ability to participate in or benefit from these corporate actions depends on timing, eligibility, and market conditions. Additionally, the ability to buy or sell shares at fair prices may be limited, particularly for smaller-capitalisation stocks or during periods of market stress, and share holdings are subject to issuer-specific risks including business performance, financial condition, and credit quality.

The Index's treatment of corporate actions may differ from the treatment a direct shareholder would receive. The Index applies a rules-based framework designed to replicate the economic impact of corporate actions, but divergence can occur because: (i) the Index may not participate in rights issues, resulting in zero valuation of such rights, whereas a direct shareholder might exercise or sell them; (ii) merger consideration may be valued or timed differently than direct shareholder proceeds; (iii) spin-offs may be excluded from the Index if the spun-off entity does not meet Index inclusion criteria, whereas a direct shareholder would retain the spun-off shares; and (iv) special dividends may be treated differently than ordinary dividends. These adjustments may result in the performance of the Index differing materially from, and potentially underperforming, a direct investment in the underlying shares, particularly during periods of significant corporate activity.

3.4 Equity Futures differ from the Underlying Equity Index

Equity futures contracts are standardised derivative instruments that may diverge materially from the performance or risk exposure of the underlying equity index.

Where Components consist of futures contracts on equity indices, divergence can occur because: (i) the price of an equity futures contract reflects the expected level of the related equity index in the future rather than its current level, and is driven by factors including interest rates, expected dividend yields, and exchange policies, which may cause the futures price to deviate from the spot index level; (ii) the carry of a futures contract (being the net cost or benefit of maintaining the position over time) is different from the carry of the corresponding actual equity index, and the difference between them will vary with interest rates, dividend yields, and market expectations, and accordingly, whether such difference is advantageous or disadvantageous to the Index will depend on whether the Index holds a long or a short position in the relevant futures contract at the relevant time; and (iii) rolling of futures contracts may result in gains or losses unrelated to changes in the underlying index level, as described under "Rolling of Equity Futures" below.

While the changes in the price of such a futures contract are generally correlated with changes in the level of the related equity index, such correlation is not exact and, in some cases, the performance of the futures contract can deviate significantly, especially over longer periods of time. Accordingly, investments linked to the return of such futures contracts may differ from, and may underperform, similar investments that are based on the level of the related equity index, whether the Index holds long or short positions in such futures contracts.

3.5 Rolling of Equity Futures

The following describes risks specific to rolling Components that consist of equity futures contracts. For general futures rolling mechanics, transaction costs, liquidity risks, and disruption event

procedures applicable to all futures contracts, see "Futures Contracts: General Mechanics" below.

For equity futures contracts, roll yield is determined by the relationship between interest rates and expected dividend yields on the underlying index. When interest rates exceed dividend yields, a long position experiences negative roll yield and a short position experiences positive roll yield. Conversely, when dividend yields exceed interest rates, a long position experiences positive roll yield and a short position experiences negative roll yield.

3.6 Equity Options differ from the Underlying Equity Index or Shares

Where Components consist of option contracts on equity indices or shares, the Index is subject to risks specific to equity options exposure.

The prices of equity option contracts are volatile and are influenced by actual and anticipated changes in the value of the underlying equity, including anticipated volatility, which are affected by fiscal and monetary policies, political and economic events, changes in actual or implied volatility of the underlying equity, and time remaining until expiration. Such factors may cause the value of the equity option contract to move in ways that are not directly correlated with moves in the underlying equity.

The value of an equity option contract generally does not increase or decrease at the same rate as the underlying equity. As an equity option contract approaches its expiration date, it typically becomes increasingly correlated with the underlying equity; however, prior to expiration, this non-linear relationship means the Index may experience gains or losses that do not correspond proportionally to movements in the underlying equity, particularly during periods when the equity option contract(s) held by the Index are not near expiration.

3.7 Rolling and other Risks of Equity Options

For risks relating to option rolling and valuation mechanics, exercise and expiration mechanics and delta hedging, applicable to all option contracts, see "Option Contracts: General Mechanics" below.

4. Commodities

Commodity-linked Components are subject to a distinct set of market, structural, and operational risks. The following section addresses the principal risks arising from exposure to commodity instruments, including commodity futures contracts.

4.0 Commodity Price Volatility

Investments linked to commodities are subject to sharp fluctuations in the prices of commodities and related contracts over short periods of time, based on a variety of factors, including: changes in supply and demand relationships; weather; climatic events; the occurrence of natural disasters; wars; political and civil upheavals; acts of terrorism; trade, fiscal, monetary, and exchange control programmes; domestic and foreign political and economic events and policies; disease; pestilence; technological developments; changes in interest rates; and trading activities in commodities and related contracts. These factors may affect commodity prices and the level of an Index in varying and potentially inconsistent ways. As a result of these or other factors, the performance of an Index may be negative and the level of an Index may have been, may be, and may continue to be, volatile.

4.1 Commodity Futures Contracts differ from the Underlying Physical Commodities

Commodity futures contracts are standardised derivative instruments that may diverge materially from the performance or risk exposure of the underlying physical commodities.

Where Components consist of futures contracts on physical commodities, and not the actual physical commodities to which such futures contracts relate, divergence can occur because: (i) the price of a commodity futures contract reflects the expected value of the commodity upon delivery in the future, whereas the price of a physical commodity reflects the value upon immediate delivery (the spot price), and these prices diverge due to storage costs, financing costs related to holding the commodity, and expectations of supply and demand; (ii) the carry of a futures contract (being the net cost or benefit of maintaining the position over time) is different from the carry of the corresponding physical commodity, and the difference between them will vary with storage costs, convenience yields, and market expectations for future supply and demand, and accordingly, whether such difference is advantageous or disadvantageous to the Index will depend on whether the Index holds a long or a short position in the relevant futures contract at the relevant time; and (iii) rolling of futures contracts may result in gains or losses unrelated to changes in the underlying commodity spot price, as described under "Rolling of Commodity Futures Contracts" below.

While the changes in the price of such a futures contract are generally correlated with changes in the spot price of the related commodity, such correlation is not exact and, in some cases, the performance of the futures contract can deviate significantly, especially over longer periods of time. Accordingly, investments linked to the return of such futures contracts may differ from, and may underperform, similar investments that are based on the spot price return on physical commodities, whether the Index holds long or short positions in such futures contracts.

4.2 Liquidity and Trading History Risks of Commodity Futures

Many electronic trading facilities for commodities futures contracts may not have significant trading histories. As a result, the trading of futures contracts on such facilities, and the inclusion of such futures contracts in a commodity index, are subject to risks related to the liquidity and price histories of the relevant futures contracts. During periods of market stress or low trading activity, liquidity can deteriorate rapidly, potentially preventing the Index from completing scheduled rolls or obtaining firm quotations at expected prices.

4.3 Rolling of Commodity Futures Contracts

The following describes risks specific to rolling Components that consist of commodity futures contracts. For general futures rolling mechanics, transaction costs, liquidity risks, and disruption event procedures applicable to all futures contracts, see "Futures Contracts: General Mechanics" below.

For commodity futures contracts, roll yield is determined by the relationship between storage costs, financing costs, and convenience yields (the value of immediate physical possession) relative to the spot commodity price. When storage costs and financing costs exceed the convenience yield of immediate physical possession (a condition known as contango), a long position experiences negative roll yield and a short position experiences positive roll yield. Conversely, when the convenience yield of immediate physical possession exceeds storage and financing costs (a condition known as backwardation), a long position experiences positive roll yield and a short position experiences negative roll yield.

The structural tendency toward contango or backwardation varies significantly by commodity type. Energy products historically spend more time in contango; agricultural commodities fluctuate with seasonal supply and demand cycles; precious metals typically exhibit mild contango. There can be no assurance that prevailing market conditions will persist, and roll yield can shift rapidly as supply and demand dynamics change.

Where an Index holds both long and short positions in commodity futures contracts, either condition can produce negative roll yield and adversely affect Index performance. Additionally, the composition and characteristics of the underlying commodity (such as grade, location, or delivery

specifications) may change between contract months, changing the exposure and carry characteristics of the position on each roll.

4.4 Risks relating to Commodity Futures Contracts traded on U.S. Exchanges

Components that consist of commodity futures contracts that are traded on a U.S. exchange are subject to extensive statutes, regulations and margin requirements that may impact the level of the Index. The U.S. Commodity Futures Trading Commission, commonly referred to as the "CFTC", and the relevant U.S. exchanges are authorised to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. Furthermore, certain exchanges have regulations that temporarily limit the amount of fluctuations in futures contract prices that may occur during a single business day or over a specified period. These limits could adversely affect the market prices of commodity futures contracts and consequently adversely affect the level of an Index. The regulation of commodity transactions in the U.S. is subject to ongoing modification by government and judicial action. In addition, various non-U.S. governments have expressed concern regarding the disruptive effects of speculative trading in the commodities markets and the need to regulate the derivative markets in general. It is impossible to predict the impact of any future regulatory changes on the Index, but such impact could be substantial and adverse.

For example, the "Dodd-Frank Act," which was enacted on July 21, 2010, requires the CFTC to establish limits on the amount of positions that may be held by any person in certain commodity futures contracts and swaps, futures and options that are economically equivalent to such contracts. While the effects of these or other regulatory developments are difficult to predict, when adopted, such rules may have the effect of making the markets for commodities, commodity futures contracts, options on futures contracts and other related derivatives more volatile and over time potentially less liquid. Such restrictions may force market participants, or such market participants may decide, to sell their positions in such futures contracts and other instruments subject to the limits. If this broad market-selling were to occur, it would likely lead to declines, possibly significant, sharp declines, in the price of commodity futures contracts and the level of the Index.

4.5 Exchange-Specific Risks relating to Commodity Futures Contracts

With respect to Components that consist of or are linked to commodity futures contracts an exchange on which any such contracts are traded may, from time to time, impose terms and conditions relating to any such contract(s) that may differ from those applicable to the corresponding contract(s) traded on other exchanges.

For example, an exchange may impose price fluctuation limits that may differ from those (if any) imposed by another exchange. An exchange may also allow for any such contract(s) to have delivery maturities or dates that may differ from those applicable to the corresponding contract(s) traded on other exchanges, or otherwise apply delivery maturities or dates that are not standardised.

In each such case the particular terms and conditions applicable to such contract(s) and markets could lead to volatility, distortions and/or aberrations with respect to the contract price(s) and otherwise, that consequently could adversely affect the calculation(s), performance and/or level(s) of an Index that comprises or is otherwise linked to any such contract(s).

5. CDS and CDS Indices

CDS and CDS Index Components are subject to a distinct set of market, structural, and operational risks. The following section addresses the principal risks arising from exposure

to credit default instruments.

5.0 CDS and CDS Index Volatility

The performance of an Index will depend on, among other things, the spread or price of each relevant CDS and CDS Index. Such spread or price may be subject to volatility due to a variety of factors, including:

1. the actual or perceived creditworthiness and credit ratings of each Reference Entity and of any guarantors or other supporters of its relevant obligations;
2. the market's perception of the credit quality of the underlying Reference Entities;
3. sentiment regarding the underlying strength in the respective revenues of the underlying Reference Entities, their respective industries and/or the economies of the relevant countries;
4. expectations regarding the number and nature of relevant credit rating downgrades and defaults;
5. expected rates of recovery on any obligations of the Reference Entities;
6. actions of a Reference Entity and its principal creditors;
7. the nature and extent of each Reference Entity's outstanding indebtedness, including its maturity and subordination structure and any guarantees or other support that the Reference Entity has provided to other entities and/or receives from other entities;
8. correlation among the credit spreads and/or default probabilities of the Reference Entities;
9. economic, financial, political, regulatory and/or judicial events or conditions that affect any Reference Entity or its outstanding obligations (or any guarantors or other obligors of any Reference Entity and its relevant obligations), including credit spreads in the market, market liquidity of credit default swaps relative to the liquidity of related cash instruments or related credit derivatives, and liquidity for secondary assignments of credit derivatives generally;
10. sentiment regarding global credit markets generally;
11. the policies of central banks regarding interest rates; and
12. the performance of capital markets.

Fluctuations in the spread or price of any relevant CDS and/or CDS Index will affect the level of the corresponding Index.

5.1 Hypothetical CDS and CDS Index Positions

For calculation purposes, each Index uses a notional position in each relevant CDS Index and CDS, but does not offer any ownership interest or rights in each such relevant CDS Index and CDS, or any of the Reference Entities (or their obligations) included in each such relevant CDS Index and CDS. Entering into a swap, investment or other transaction based on or linked to an Index is not equivalent to taking a position in each relevant CDS Index and CDS, or any of the Reference Entities (or their obligations) included in each relevant CDS Index or CDS. As a party to such a swap, investment or other transaction, an investor will not have any ownership interest or rights in each relevant CDS Index or CDS, or any of the Reference Entities (or their obligations) included in each relevant CDS Index or CDS.

5.2 CDS and CDS Index Reference Entities

You will have exposure to the credit risk of each Reference Entity included in each applicable CDS and CDS Index. Any entities specified as Reference Entities may change over time, including where

an Index rolls its position into another series of an applicable Benchmark CDS Index. You should carefully review the features, rules and criteria that each applicable CDS and CDS Index utilises to determine the Reference Entities and related exposure comprising and/or eligible for inclusion in each such CDS and CDS Index, as well as the segments and regions that such CDS and CDS Index represents, and evaluate for yourself whether you wish to gain exposure to the credit risks of each of the Reference Entities in such regions with such characteristics. The risks of an Index will vary depending on (among other factors) the characteristics of the underlying Reference Entities constituting any CDS and CDS Index.

Actions taken by any Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of an Index. No such Reference Entity will have any obligation to consider the interests of any party to any transaction or investment based on or linked to an Index with respect to any corporate actions that might affect the value of an Index.

None of the disclosures provided with respect to any transaction or investment based on or linked to an Index is intended to provide information with respect to any Reference Entity, or any financial or other risks relating to the business or operations or creditworthiness of any Reference Entity in general, or to the obligations of any Reference Entity in particular. You should make your own investigation into the Reference Entities. Neither Nomura International plc nor any of its affiliates makes or gives any endorsement, representation, assurance or warranty regarding the accuracy or completeness of the information publicly disclosed by any Reference Entity, whether contained in filings with any applicable securities regulator(s) or otherwise. Furthermore, neither Nomura International plc nor any of its affiliates gives any assurance that all events occurring prior to the trade date of a transaction or investment based on or linked to an Index, including (without limitation) events that would affect the accuracy or completeness of the public filings of any of the Reference Entities, will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or absence of disclosure of, material future events concerning any Reference Entity could adversely affect the value of a relevant CDS or CDS Index, and such could adversely affect the value of an Index. You should undertake an independent investigation of each Reference Entity as in your and your advisors' judgement is appropriate to make an informed decision with respect to entering into a transaction or investment based or linked to an Index.

5.3 CDS and CDS Index Credit Events

The level of an Index may be affected by one or more Credit Events in respect of any of the Reference Entities (or their relevant obligations) included in the relevant CDS or CDS Index from time to time. The occurrence and/or determination of any such Credit Event(s), which will adversely impact the return on a long position in the relevant CDS and CDS Index, will have an adverse impact on the performance of the relevant Index.

There can be no assurance as to whether or how many Credit Events may occur during the term of any transaction or investment based on or linked to an Index and what the recovery rate in respect of each such Credit Event will be. Consequently, the level of an Index, as well as the value of any transaction or investment based on or linked to an Index, is unpredictable. Certain economic, financial, political, regulatory and/or judicial events and/or the financial condition of any of the Reference Entities, included in any relevant CDS and/or CDS Index across diverse industry categories or in a single industry could simultaneously affect the number of Credit Events that occur with respect to such Reference Entities and/or the relative value of their obligations based on which the relevant recovery rate will be determined. For example, conditions of various macro-economic stress could lead to a Credit Event with respect to more than one Reference Entity, which will have an adverse effect on the level of the relevant Index and, in turn, may have a negative effect on the value of any transaction or investment based on or linked to such Index. It is important to understand that, in addition to any actual Credit Event(s), the market's perception of the credit quality of any of the applicable Reference Entities will also affect the level of the applicable Index.

5.4 Risks relating to Auction Settlement

If a Credit Event (other than an M(M)R Restructuring Event) occurs with respect to any Reference Entity, the level of the applicable Index will be reduced by an amount (or otherwise affected, as specified in the relevant Index Methodology and/or the relevant Index Specifications) reflecting the loss attributable to such Credit Event as determined by reference to the auction settlement amount as defined under and determined in accordance with the applicable standard terms specified by ISDA. Nomura International plc (or any of its affiliates) may act as a participating bidder in any such auction and, in such capacity, may take certain actions which may influence the auction price including (without limitation) submitting bids, offers and physical settlement requests with respect to the obligations of any Reference Entity.

If Nomura International plc (or any of its affiliates) participates in an auction, it and they will do so without regard to the interests of any counterparty to any transaction or investment based on or linked to an Index, and such participation may have a material adverse effect on the outcome of the relevant auction and/or on the applicable Index. As counterparty to a swap or other transaction or investment based on or linked to an Index, you will have no right to submit bids and/or offers in an auction. Any default amount determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the specified Reference Entity or its obligations. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither Nomura International plc nor any of its affiliates has any responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. Nomura International plc will have no responsibility to dispute any determination of an auction price.

In addition, in the event that an auction is not held or is cancelled, the Index Calculation Agent will determine the default loss amount in its sole discretion acting in good faith and in a commercially reasonable manner. In addition, if an M(M)R Restructuring Event occurs with respect to any Reference Entity, the Index Calculation Agent will determine the Close-Out Amount with respect to such Reference Entity in its sole discretion acting in good faith and in a commercially reasonable manner. Therefore, the determination of the default loss amount and/or the loss resulting from closing out a position in a Reference Entity affected by an M(M)R Restructuring Event, each of which will be deducted from (or otherwise applied, in accordance with the relevant Index Methodology and/or the relevant Index Specifications, to) the level of the applicable Index, may differ from determinations made by other market participants, and may negatively affect the value of the applicable Index.

5.5 CDS and CDS Index Concentration Risk

A CDS or CDS Index may directly or indirectly reflect the performance of a basket of Reference Entities in particular segments and regions of the credit markets, the number and specific composition of which basket of Reference Entities of the relevant CDS or CDS Index may be changed from time to time by the Index Administrator and/or the sponsor and/or administrator of the relevant CDS Index.

Where a CDS Index invests directly or indirectly in credit default swaps on entities in particular segments and regions of the credit markets, and where a CDS provides exposure to more than one Reference Entity, each such CDS Index and CDS, and each Index, may be subject to concentration risk. As such the value of an Index may be subject to greater volatility and be more adversely affected by a single positive or negative economic, political and/or regulatory occurrence affecting the relevant segment or region than a more diversified index or basket or entities, that invests in or provides exposure to entities across different segments or regions. Factors affecting credit markets as described above under "CDS and CDS Index Volatility" could cause a downturn in the relevant

segment, region and credit market generally and could cause the value of the credit default swaps included directly or indirectly in the relevant CDS Index, and the value of the relevant CDS, and thus the value of the relevant Index, to decline. Because a major factor in the value of each Index is the market's perception about the credit quality of the applicable Reference Entities, if the market's perception about a particular segment or region of the credit markets is negative, the applicable Index may suffer significant losses.

In addition, as a result of certain Credit Events, the affected Reference Entities may be removed from a CDS Index and/or CDS, which would result in the CDS Index and CDS and the related Index having greater concentration in the remaining Reference Entities.

5.6 Rolling of a CDS Index

This particular risk statement is applicable only to any Index that is, in whole or part, comprised of any Component that is (or is linked to) one or more 'rolling' S&P Dow Jones iTraxx / CDX indices.

Each Index seeks to reflect the performance of a long position in a series of the relevant CDS Index, which CDS Index may periodically be "rolled" to the most recent series of such CDS Index (including, but not limited to, rolling at semi-annual or annual intervals). The synthetic investment in the relevant CDS Index represented by the applicable Index may be continuously "rolled" into the latest series of the relevant CDS Index depending on the relevant applicable methodology, but not in the case of all CDS Indices. A new series of the relevant CDS Index is typically published by the sponsor or administrator of the relevant CDS Index semi-annually or annually, and such new series becomes the "on-the-run" series upon its publication. The performance of an Index therefore reflects the value of terminating the long position in the "off-the-run" series and simultaneously establishing a position in the "on-the-run series". The rolling of the relevant CDS Index may be delayed if the Index Calculation Agent determines in its reasonable discretion that the new "on-the-run series" would not be sufficiently liquid, or sufficiently actively traded and/or publicly quoted on the scheduled roll date to permit the hypothetical position to be rolled into the new "on-the-run" series on reasonable terms and within a reasonable period of time. If the rolling of the relevant CDS Index is delayed, possibly for an extended period of time, the relevant Index will continue to be based on, and reflect, the 'old' "off-the-run" series of the relevant CDS Index and the value of the relevant Index during such period of delay may deviate from the value that would otherwise result if calculated based on the 'new' "on-the-run" series of the relevant CDS Index.

5.7 Correlation Risks of CDS having more than one Reference Entity

Although a CDS with respect to more than one Reference Entity is typically structured to be contractually similar to entering into separate credit default swaps with respect to each underlying Reference Entity, such a CDS may have different economics than separate credit default swaps with respect to each underlying Reference Entity. Therefore, the market price of such a CDS, and the performance of such CDS, may differ from what would be expected based on the market prices and the performance of credit default swaps on each of the underlying Reference Entities (not all of which may be available to transact at any given time).

5.8 CDS Index Correlation Risks

Although a CDS Index is typically structured to be contractually similar to entering into separate credit default swaps with respect to each underlying Reference Entity, a CDS Index may have different economics than separate credit default swaps with respect to each underlying Reference Entity. Therefore, the market price of a CDS Index, and the performance of such CDS Index, may differ from what would be expected based on the market prices and the performance of credit default swaps on each of the underlying Reference Entities (not all of which may be available to transact at any given time).

In addition, the market for certain CDS Indices has been subject to significant distortions from time to time in the past as a result of the actions of one or a small number of market participants that may have taken large positions in a given CDS Index (or credit default swaps on one or more of the underlying Reference Entities). These distortions have in the past led, and may in the future lead, to a high degree of volatility, as well as a wide and potentially unsustainable divergence between the market price of the certain CDS Indices and the price that would be expected based on the market price of credit default swaps on the relevant underlying Reference Entities. Nomura International plc's trading activities (or the trading activities of any of its affiliates) may represent a significant portion of the market for a particular CDS Index and, accordingly, may be a contributor to such volatility and/or distortions.

5.9 Correlation Risks of an Index based on CDS or a CDS Index

Each Index based on any CDS Index and/or any CDS presents all of the risks related to each such CDS Index and/or CDS. However, each Index also has its own calculation methodology, which may differ from the methodologies of the relevant CDS Index and CDS in certain material respects. In particular, the timing and manner of any rolling of hypothetical positions in any relevant CDS Index and/or CDS, and the actions taken by the relevant CDS Index and CDS in the event of a Credit Event of a Reference Entity, may differ in certain respects from the corresponding features of the corresponding Index. These differences could adversely affect the correlation between the performance of an Index and the performance of the relevant CDS Index and CDS. In addition, the Index Calculation Agent and Index Administrator respectively have the authority to take certain actions with respect to each Index at their discretion, as mentioned in these General Index Terms, which could further adversely affect the correlation between an Index and each relevant CDS Index and CDS.

5.10 No Affiliation between the Index Sponsor / Index Administrator / Index Calculation Agent and any of the Reference Entities or the Sponsor or Administrator of any CDS Indices or any CDS Sub-Index

This particular risk statement is applicable to any Index that is, in whole or part, comprised of any Component that is (or is linked to) one or more S&P Dow Jones iTraxx / CDX indices.

Nomura International plc, the Index Administrator and the Index Calculation Agent, is not currently affiliated with any of the Reference Entities or S&P Dow Jones Indices LLC ("**SPDJI**"), the sponsor or administrator of any CDS Index and any CDS Sub-Index and that is an 'iTraxx index' or a 'CDX index' (each such index a "**SPDJI Index**" and together the "**SPDJI Indices**").

None of the Reference Entities or SPDJI is involved in the creation, calculation or maintenance of any Index in any way and none of them has any obligation of any sort with respect to a swap or other transaction or investment based on or linked to any Index. None of the Indices is sponsored, endorsed or promoted by any of the Reference Entities or SPDJI. None of the Reference Entities or SPDJI makes any representation or warranty, express or implied, to anyone regarding the advisability of entering into a swap or other transaction or investment based on or linked to any Index or any CDS Index. The relationship of SPDJI and its affiliates to Nomura International plc and its affiliates, in respect of each Index, is the licensing of certain trademarks, trade names and service marks and of the SPDJI Indices, which are determined, composed and calculated by SPDJI without regard to Nomura International plc and its affiliates or the Indices. None of the Reference Entities or SPDJI has any obligation to take the interests of any person into consideration for any reason, including when any of the Reference Entities takes any corporate action that might affect the relevant CDS Index or CDS Sub-Index, or when SPDJI determines, calculates or maintains the relevant CDS Index or CDS Sub-Index.

Information provided in the relevant Index Description about the CDS Indices, SPDJI Indices and SPDJI is derived from publicly available sources without independent verification. Neither Nomura

International plc nor any of its affiliates assumes any responsibility for the accuracy or the completeness of any such information. Neither Nomura International plc nor any of its affiliates participated in the preparation of any such publicly available document or made any "due diligence" investigation or any inquiry of any of the Reference Entities (or their obligations) included in the relevant CDS Index, CDS Sub-Index and/or SPDJI Index, or of SPDJI. A counterparty that is evaluating whether or not to enter into a swap or other transaction or investment based on or linked to an Index should make its own investigation of SPDJI and into the Reference Entities (or their obligations) included in the relevant CDS Index, CDS Sub-Index and/or SPDJI Index.

In addition to the above statement you should refer to the disclaimers and statements in respect of each CDS Index, CDS Sub-Index and/or SPDJI Index, as applicable, contained in the relevant Index Description.

5.11 Low Liquidity / Illiquid Credit Default Swaps

An Index may allow exposure to any CDS and CDS Index that is either selling or buying protection. If the relevant Component lacks liquidity at the time that the Index may seek to establish exposure to such Component, then such Component transaction may be entered into at a relatively unfavourable spread value. Alternatively, if there is no liquidity in the respective Component then it may not be possible to transact such Component. Conversely, where an Index already holds a Component position and looks to reduce or exit that Component position, this may only be possible or occur at a relatively unfavourable price, level or rate given a lack of liquidity, or an inability to exit such Component if there is no corresponding liquidity. Such situations might adversely impact the relevant Index and/or the ability to enter into/exit the relevant Component exposure position.

5.12 Credit Market Disruptions may impact Performance

Credit markets may be subject to distortions or experience disruptions from time to time due to various factors, including market fragmentation, the participation of speculators and government regulation and intervention. In particular, credit markets are inherently less liquid than other markets. Amongst other things, such illiquidity may result in temporary distortions or other disruptions. These circumstances could adversely affect the level of an Index. Accordingly, the Index Administrator has attempted to describe in the relevant Index Description (through appropriate fallback provisions) the particular disruptions or periods of stress that may affect an Index from time to time, including (without limitation) circumstances where transaction data sources may become insufficient, inaccurate, unreliable or absent; as well as the potential consequences that these events may have on the determination and/or publication of an Index. An Index is also reviewed periodically to ensure that any Input Data used in the determination of the Index remains appropriate, sufficient, and reliable to accurately reflect the market or economic reality that the Index is intended to measure, including in response to market conditions. Changes to the data used and/or the data sources may therefore become necessary to ensure that these standards are met on an ongoing basis.

5.13 Risks of CDS and CDS Index Exposure to High-Yield Credit

An Index, and the relevant CDS and CDS Indices in respect of such Index, may provide exposure to high-yield (or "junk") credit, which may involve greater levels of credit, liquidity and valuation risk than higher rated instruments. High-yield credit may be more sensitive to economic changes, political changes and/or adverse developments specific to a company or sovereign entity than other types of credit. High-yield credit is also subject to greater risk of loss, greater sensitivity to economic changes, valuation difficulties and a potential lack of a secondary or public market. High-yield credit is considered predominantly speculative with respect to the relevant issuer’s continuing ability to make principal and interest payments and, therefore, such instruments generally involve greater risk of default or price changes than other types of credit. An economic downturn or a period of rising yields could adversely affect the market for high-yield credit and reduce market liquidity. These and

other developments may from time to time adversely affect the credit of high-yield issuers included as Reference Entities in any CDS and in any CDS Index providing exposure to high-yield credit.

5.14 Non-U.S. Credit Markets Risk

An Index may provide exposure to the credit risk of non-U.S. Reference Entities. An investment linked to or based on such an Index therefore involves risks associated with, and with the markets in, those countries where the relevant non-U.S. Reference Entities are present, constituted, represented and/or traded, including (without limitation) risks of volatility in those markets, governmental intervention in those markets and/or entities, and cross-shareholdings in companies in certain countries, and risks associated with debt of or originated in those countries. Also, there is generally less publicly available information about companies (including government and/or sovereign agencies and entities) in some of these jurisdictions than about U.S. companies or entities that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and generally non-U.S. companies (including government and/or sovereign agencies and entities) are subject to accounting, auditing and financial reporting standards and requirements and securities trading rules different from those applicable to such entities that are subject to U.S. reporting.

5.15 Complexity of the Credit Default Linked Indices

Each Index is complex and takes multiple notional positions in credit default swaps. Credit default swaps constitute risky investments, the value of which can change dramatically over short periods of time, depending upon various factors. Thus, a counterparty that is evaluating whether or not to enter into an investment, swap or other transaction based on or linked to the relevant Index with Nomura International plc must have the requisite skill and experience in trading credit default swaps so as to be able to assess the significant risks associated with an Index and an investment, swap or other transaction based on or linked to an Index.

5.16 Investments based on Credit Default Swaps are not suitable for all investors

An Index provides notional exposure to one or more relevant CDS and/or CDS Indices, where performance is a function of one or more particular entities in particular segments and regions of the credit markets. The values of credit default swaps can be volatile and move dramatically over short periods of time. Because of the potential for large and sudden value movements associated with credit default swaps, a party that is evaluating whether or not to enter into any transaction or investment based on or linked to an Index should be a sophisticated investor that understands the risks associated with transactions and investments based on or linked to or in credit default swaps. The notional exposures to any CDS and/or any CDS Index, designed to operate within a relevant Index, incorporate various features and parameters that may differ in various ways and/or degrees from actual credit default swaps transacted from time to time in the market. As such this degree of difference may cause any valuation(s) of any notional CDS and CDS Index to materially differ from and not align with those credit default swap(s) transacted in the market including, without limitation, in respect of the actual and/or anticipated performance of the economics (including settlement amounts) of the credit default swap exposures of a relevant investor and/or the Index Administrator.

5.17 Credit Default Swaps are traded Over-The-Counter

The value of a CDS Index and CDS is based on over-the-counter contracts traded directly between parties on a bilateral basis or on trading facilities and, in either case, they may be subject to lesser degrees of regulation than securities or futures contracts traded on regulated securities or futures exchanges or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be

subject to the same provisions of, and the protections afforded by, laws and regulations that govern trading in securities or futures contracts on regulated futures exchanges. In addition, certain electronic trading facilities may not have significant trading histories. As a result, the trading of contracts on such facilities may give rise to exposure to certain risks not presented by other exchange-traded contracts, including risks related to the liquidity and price histories of the relevant contracts, which could adversely affect the value of any CDS Index or underlying CDS comprising the relevant Index from time to time.

Furthermore, as the regulatory regime relating to certain over-the-counter derivatives markets, such as the credit default swap market, is evolving, it is inherently difficult to predict how any regulatory changes may impact the credit default swap market. Regulatory developments with respect to these markets in the relevant jurisdictions in the future could adversely affect the availability, liquidity, volatility and level of an Index or the relevant CDS Index or CDS, as well as the manner in which the trading activities of a counterparty to any transaction or investment (based on or linked to an Index, any relevant CDS Index and/or CDS, or to any of the relevant Reference Entities) may be conducted and/or the costs of, or requirements for, engaging in such trading activities. Any such regulatory developments may negatively impact the ability of an Index or any relevant CDS Index and/or CDS to achieve their respective objectives.

6. Generic Instrument Mechanics Reference Section

The following sections describe the general mechanics, risks, and considerations applicable to certain specific instrument types across all asset classes. These complement the asset-class-specific risk disclosures above and address risks common to futures contracts, hypothetical forward contracts, and option contracts regardless of the underlying asset. Investors in an Index and/or in any financial product linked to an Index should refer to the relevant instrument-type below in conjunction with the applicable asset-class section to understand the full range of risks associated with any given Component.

6.0 Futures Contracts: General Mechanics

a) Futures – Roll Risks

Futures contracts have defined expiration dates. To maintain continuous exposure to an underlying asset, an Index holding futures contracts as Components must periodically close expiring futures contracts and open longer-dated futures contracts - a process known as rolling. Rolling involves executing two trades: selling (or buying, depending on the position direction) the near-term futures contract and simultaneously buying (or selling) the longer-dated futures contract. The difference between the near-term and longer-dated futures contract prices determines the roll yield - the gain or loss realised on the roll transaction. Roll yield can be positive or negative depending on the term structure of futures prices. If longer-dated futures contracts trade at higher prices than near-term futures contracts (contango), rolling involves selling at a lower price and buying at a higher price, generating a loss. If longer-dated futures contracts trade at lower prices than near-term futures contracts (backwardation), rolling involves selling at a higher price and buying at a lower price, generating a gain. The drivers of contango and backwardation vary by asset class:

Interest Rate Futures are driven by yield curve shape and repo rates. Contango occurs when financing costs are high and the yield curve is upward sloping; backwardation occurs when financing costs are low or the yield curve is inverted.

Equity Futures are driven by dividend expectations and interest rates. Contango occurs when interest rates exceed expected dividend yields; backwardation occurs when dividend yields exceed interest rates or there is strong near-term demand for equity exposure.

Commodity Futures are driven by storage costs, financing costs, and convenience yields (the value of immediate physical possession). Contango occurs when storage costs and financing costs exceed the convenience yield of immediate physical possession, typically during periods of adequate supply; backwardation occurs when the convenience yield of immediate physical possession exceeds storage and financing costs, typically during supply disruptions or periods of high demand.

FX Futures are influenced principally by the interest rate differential between the relevant currencies, together with funding and cross-currency basis conditions and contract-specific supply and demand. The relationship between these factors and quoted FX futures contract prices depends on the currency quotation convention. The effect of these factors on the performance of an Index also depends on whether the Index holds an FX futures contract long or a short position. See the part of these General Index Terms above titled "Rolling of FX Futures Contracts".

Rolling may also result in losses due to market volatility or reduced liquidity during the roll process. If the relevant futures contract reaches its daily price limit or trading is otherwise suspended or restricted during the roll period, the Index may be unable to complete the roll as scheduled. In such circumstances, the Index Administrator may treat the same as a Futures Contract Limit Event and take any of the actions described under "Disruption Consequences" above.

b) Futures - Trading Beyond the Last Traded Date

During the roll period, if a futures contract reaches its daily price limit (as set by the relevant exchange), normal trading may be restricted or halted, preventing the Index from completing the roll as scheduled. In such circumstances, the roll period may need to be postponed or extended, which could result in the Index holding a futures contract beyond its normal last traded date.

If this occurs, the Index Administrator will treat it as a Futures Contract Limit Event and may take actions or make adjustments to the affected Index in accordance with the General Disruption Consequences provisions (and any applicable Additional Component Disruption Consequences and Strategy Specific Disruption Consequences), which may include using alternative pricing sources, delaying the roll, or adjusting Index calculations to reflect the disrupted market conditions.

6.1 Hypothetical Forwards: General Mechanics

Components consisting of hypothetical forward contracts will be "rolled" forward on a periodic basis to maintain continuous exposure to the underlying asset. The rolling process involves closing out the existing position at one settlement or commencement date and establishing a new position at a different settlement or commencement date. Because these two positions are referable to different dates, they will ordinarily be priced by reference to different forward pricing factors, so that the Index will realise a gain or loss on each roll that is unrelated to any change in the applicable underlying spot rate or value. The amount of this gain or loss is principally a function of the applicable interest rate differential, cross-currency basis, curve shape, or other forward pricing factors specific to the instrument.

Risks during rolling include losses due to market volatility, a significant widening in the bid/offer spread, or reduced liquidity during the roll process. If a firm quote for the relevant forward rate is unavailable, or if the convertibility, transferability or settlement of a currency or instrument is restricted at the time of the roll, the Index may be unable to complete the roll as scheduled. In such cases, the Index Administrator may treat the same as an Exchange Rate Quotation Disruption, an Inconvertibility, a Non-Transferability, or an Implementation Disruption Event and take any of the actions described under "Disruption Consequences" above.

6.2 Option Contracts: General Mechanics

a) Option Contracts Risk

Where any of the Components are option contracts, the Index is subject to risks inherent to options exposure. The prices of option contracts are volatile and are influenced by actual and anticipated changes in the value of the underlying reference asset, including anticipated volatility, which are affected by fiscal and monetary policies and by national and international political and economic events, changes in the actual or implied volatility of the reference asset, and time remaining until expiration of the relevant option contract. Such factors may cause the value of the option contract to move in ways that are not directly correlated with moves in the underlying reference asset.

b) Options Exercise and Expiration Mechanics

Option contracts are exercisable at the specified strike price on or prior to their expiration date (depending on whether such option contracts are European-style or American-style). Unless otherwise subject to rolling, at expiration any option contracts that are out-of-the-money will expire worthless, resulting in a total loss of the premium paid or notional value attributed to such option contracts in the Index. The Index may experience substantial losses from specific option contract positions, and multiple option contract positions that are not rolled may expire worthless simultaneously during adverse market conditions. These factors may result in the performance of the Index differing materially from, and potentially underperforming, a direct investment in the underlying reference asset.

c) Options - Valuation and Roll Risk

Where an Index maintains continuous exposure to option contracts, the Index will periodically replace expiring or exercised option contracts with new options contracts ("rolling"). The value of option contracts will be determined based on market quotations or, where unavailable or unreliable, using recognised pricing methods (such as Black-Scholes or binomial models) as determined by the Index Administrator. Rolling risk arises because: (i) if proceeds from expiring option contracts are insufficient to cover replacement option contracts with economically equivalent terms, the Index will experience losses; (ii) during periods of increasing implied volatility, replacement option contracts become more expensive, exacerbating losses; (iii) adverse movements in the underlying reference asset between rolling periods may require the Index to accept less favourable terms for replacement option contracts; and (iv) there is no assurance that rolling can be executed on terms that maintain the same strike price, maturity, or implied volatility characteristics as the expiring option contracts. These factors may result in the performance of the Index differing materially from, and potentially underperforming, a direct investment in the underlying reference asset.

d) Options - Delta hedging

An Index may implement a Delta hedging strategy to reduce the sensitivity of the Index to changes in the value of the underlying reference asset. Delta hedging aims to offset losses, in whole or in part, generated by an option contract position due to changes in the value of the underlying reference asset by entering into an offsetting position in such underlying, or a futures contract or a forward contract on such underlying. There is no assurance that the aim of the Delta hedging process will be achieved. In particular, in the Delta hedging process, the relevant Index is exposed to the non-linear and convex relationship between the option contract prices and the level of the underlying, and during large market moves the Delta hedging may become ineffective and the performance of the relevant Index may be adversely impacted.

6.3 Financial Index as Underlying: General Mechanics

a) Futures, Forwards, Options and CDS – referencing a financial index

Where Components of an Index are comprised of futures contracts, forward contracts, option contracts or credit default swap contracts or other instruments that reference or are otherwise linked to a financial index (each such financial index an ‘underlying benchmark’), such underlying benchmark may be subject to changes in its methodology, calculation, composition, administration

or publication, or may be suspended, discontinued or replaced, as a result of benchmark regulations or other regulatory requirements, supervisory action, or decisions taken by the relevant benchmark administrator.

Any such event may affect the value, pricing, liquidity or other economic characteristics of the relevant futures, forward, option or CDS contracts or other financial instrument linked to the relevant underlying benchmark. As a result, the Index Administrator may adjust or modify the Index methodology, replace or remove affected Components or take other actions in accordance with the provisions described under "Disruption Events and Consequences" and "Modification Events and Consequences" above. There can be no assurance that any such action will preserve the economic characteristics or performance of the affected Component or the performance of the Index, and any such event or action may materially reduce the Index Level and the returns on products linked to the Index.

D. Part 4 - Risks Associated with Features of the Calculation Methodology

This Part 4 addresses risks arising from the specific methods, data sources, and execution processes used to calculate an Index. The risks described in this Part 4 should be read in conjunction with the risks set out in Part 1 (General Index Risks), Part 2 (Index Feature Risks), and Part 3 (Asset Class & Instrument Specific Risks), as all such risks may apply to any given Index. Investors in an Index or a product linked to an Index should refer to the relevant Index Specifications and/or the relevant Index Methodology to determine which of these calculation features, if any, apply to the relevant Index.

1. Internal Marks

If indicated in the relevant Index Methodology and/or the relevant Index Specifications that an Index uses certain input data generated by Nomura Group rather than being sourced from regulated markets or exchanges or being based exclusively on executable quotes ("**Internal Marks**"), then the following risks will also apply.

Internal Marks are data inputs generated by Nomura Group in the ordinary course of its business as a dealer in the applicable instrument (or where any such Internal Mark relates to a rate, value level or signal data, an instrument linked to such rate or signal data) as used for the purposes of its internal books and records. Internal Marks are not generally created exclusively for the purpose of an Index and their use in connection with an Index is likely to be incidental. Internal Marks are determined using market-standard principles and assumptions, but there can be no assurance that these will be the same as the equivalent indicators determined by another dealer in the market and may not represent tradable prices. Internal Marks may be used as inputs to Internal Models (see "Internal Models" section below). If indicated in the relevant Index Methodology and/or the relevant Index Specifications, Internal Marks used in an Index may be made available to investors in financial products linked to or based on such Index upon request.

2. Internal Models

If indicated in the relevant Index Methodology and/or the relevant Index Specifications that an Index uses internal models ("**Internal Models**") to generate levels, values, prices or other indicators used as inputs for certain parts of the calculation of the Index, then the following risks will also apply.

Internal Models are calculation methodologies that are based on industry-standard principles and assumptions and are calculated in a commercially reasonable manner using observed market prices, where practicable, but may also use Internal Marks. The result of such models may not be

the same as those of equivalent models used by another dealer in the market. A model with different specifications or using different inputs from an Internal Model would produce different results. Furthermore, an Internal Model can change from time to time, for example (but not limited to) where there are changes in market convention, Nomura Group internal policies or changes in software packages used for the relevant Internal Model. Consequently, changes in an Index level on any day may not be solely related to the change in market value of any Components.

An Internal Model may be complex and, if so, an investment in a financial product linked to or based on an Index that uses an Internal Model may involve complex financial risks and be suitable only for investors who (either alone or in conjunction with an appropriate financial and/or other adviser(s)) are capable of evaluating the merits and risks of such an investment.

3. Intraday Prices

If the relevant Index methodology specifies that an intraday price (including, but not limited to, a snapshot price or a time weighted averaged price (a "**TWAP**")) is used to calculate an Index, then the following risks will apply.

3.0 Intraday Price Calculation Methodology

There are different ways of calculating intraday prices and using a method different from the one described in the relevant Index Methodology and/or the relevant Index Specifications may give different results. Moreover, even when the same methodology is used to calculate an intraday price, the granularity of the tick timestamp and/or the choice of the data provider could lead to different results. For example, a tick timestamp can vary from milliseconds to the whole second, depending on the data provider/price source, and even if the tick timestamp has the same precision, different data providers may have small variations in the timestamp of the same quote or price.

3.1 Third-Party Data Provider

The relevant Index Administrator and/or the relevant Index Calculation Agent, selects each data provider as an appropriate source of intraday price data and relies on the data provider to provide the intraday price data as input data for the relevant Index calculation. The intraday price data may not represent tradable prices, may be different from similar market data or similar data produced by a third party other than the data provider. The Index Calculation Agent will not publish or independently verify any intraday price data. Neither the Index Administrator nor the Index Calculation Agent is responsible or liable for, or for verifying, the correctness, quality or timeliness of the intraday price data received from the data provider.

If the Index Administrator determines that an intraday price is unavailable, insufficient or its integrity is compromised for any reason (including the failure or cessation of the price source/data provider), then the Index Administrator may instruct the Index Calculation Agent to use intraday data from an alternative third-party data provider, use an estimate determined by the Index Administrator or to not calculate and/or publish the Index or only publish indicative Index values while disrupted or otherwise compromised.

3.2 Using uncorrected Intraday Prices

The Index may be calculated not using subsequently corrected intraday prices, which could adversely affect the Index level and investor returns. Intraday prices used in the Index calculation will be observed by the Index Calculation Agent using real time data or other values available to it as at the time of calculation, sourced from data vendors or other price sources as specified in the relevant Index Specifications and/or the relevant Index Methodology. Due to the time-sensitive nature of intraday pricing and the need for contemporaneous observation, the Index Calculation

Agent may not retrospectively correct or adjust any intraday price used as an input in the calculation of the Index Level, where the relevant data provider modifies, corrects or restates such price. As a result an Index Level may continue to reflect the intraday price originally observed, regardless of any subsequent modifications, corrections or restatements by the relevant data provider.

In limited cases where the Index Administrator determines to recalculate an Index Level using modified, corrected or restated intraday prices, any positions in respect of one or more Components that have already been determined and implemented in accordance with the Index methodology will not be retrospectively adjusted for the recalculation of the Index Level. This means that any recalculated Index Level may reflect modified, corrected or restated pricing inputs without corresponding adjustments to positions previously determined and implemented on the basis of the original (potentially incorrect) prices. This may result in tracking differences or performance discrepancies.

3.3 Operational and System failure

The Index may be calculated using inaccurate intraday prices due to operational or system failures, which could adversely affect the Index performance. The complexity of implementing intraday strategies creates operational risks associated with timely computation, technical implementation and risk management that may prevent the Index Administrator from updating or correcting affected prices after they are observed and computed. The Index may be calculated using affected intraday prices, including where the Index Administrator or any of its affiliates was unable (i) to determine the positions necessary to be implemented in accordance with the relevant Index Methodology and/or the relevant Index Specifications when required, or (ii) to access any relevant trading venues or order entry systems (including internal), due directly or indirectly to the quality or unavailability of intraday prices or failures in internal systems and/or data/risk processes of the Index Administrator.

Nomura Group Roles, Potential Conflict of Interest

A. Overview of the Roles of the Nomura Group

The Nomura Group has multiple roles in connection with the Indices:

- Nomura International plc is the Index Administrator of the Indices, and is responsible for the administration of the Indices, including the design, operation and maintenance of each Index, based on a proprietary model and relying on market information.
- Where Nomura International plc is the Index Calculation Agent of an Index, Nomura International plc is responsible for calculating and publishing the Index Level in its capacity as Index Calculation Agent.
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Footnotes

1. UK BMR means the United Kingdom Benchmark Regulation which comprises Regulation (EU) 2016/1011 ("EU BMR") as amended by Regulation (EU) 2019/2089 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks insofar as they are applicable in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and other United Kingdom legislation which implements and amends retained European Union law in the United Kingdom including, but without limitation, the Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019, SI 2019/657. ↩
2. https://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf. The Governance Policy and Control Framework will be periodically reviewed and has been updated to reflect the requirements of EU BMR and UK BMR, as well as related measures and applicable FCA rules. ↩