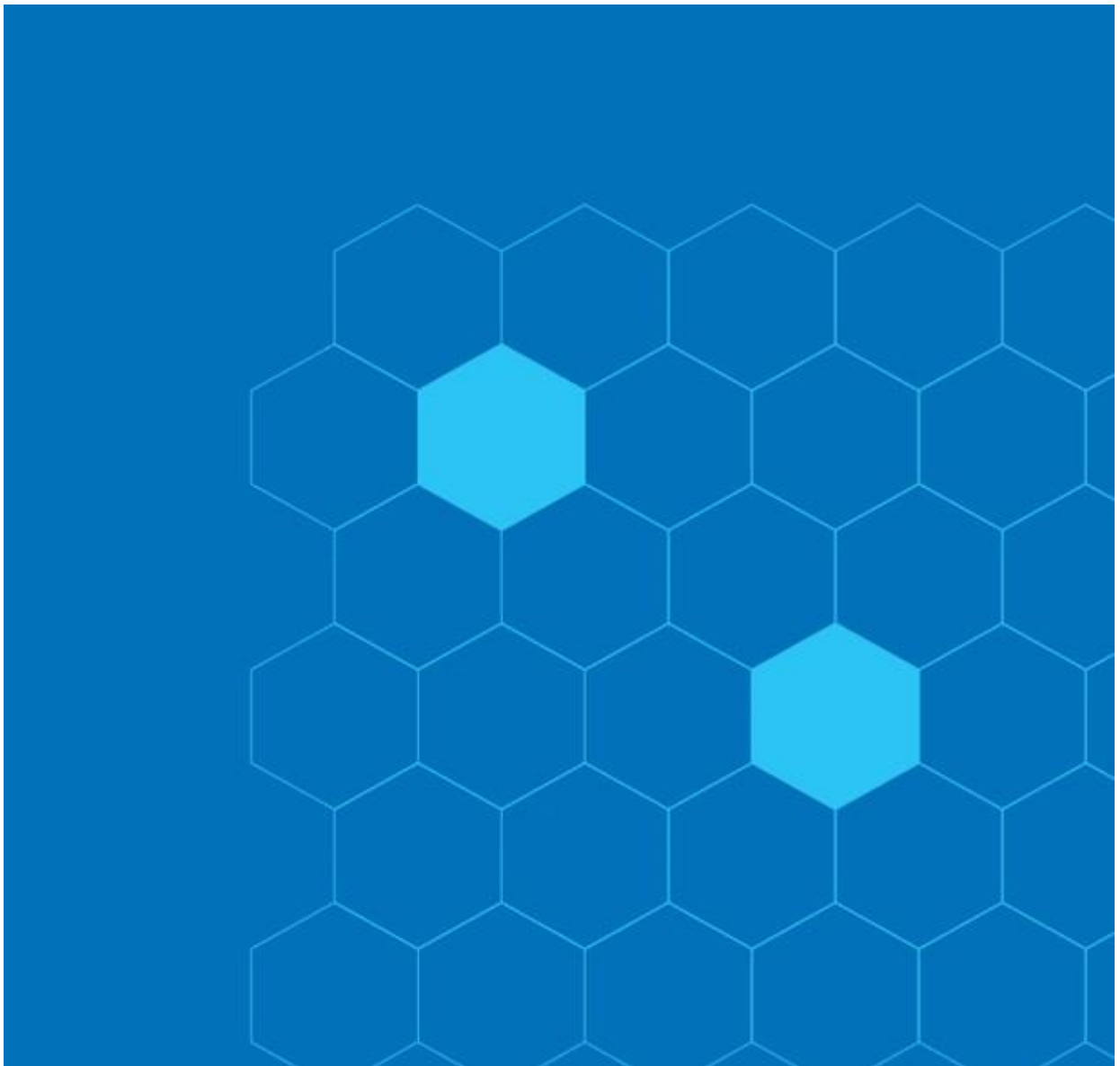


STOXX TREATMENT OF EXTRAORDINARY MARKET CONDITIONS



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1. Introduction

Certain extraordinary events can make it difficult or impossible for clients to trade or maintain a fair and orderly market in the underlying securities that are used within the STOXX indices. These events can include scenarios which are specific to a certain country such as the imposition of financial sanctions, exclusion from the international monetary system, or central authority imposed restrictions on the expropriation of foreign capital. These events can also include scenarios that are more market related, either specific to a single stock market or security or where a short period of high volatility or low liquidity makes trading globally in securities extremely difficult. For all of the above, STOXX will follow its designated Governance Structure with the Index Governance Committee (IGC) dealing with these events on a case-by-case basis.

In this paper, STOXX details how it would typically deal with these hypothetical scenarios. It should be borne in mind that these events by their nature are extraordinary and the progression of them is far from certain. STOXX can therefore not give a guarantee on how it would deal with a particular extraordinary event but would aim to deal with the scenarios described below in the manner stated. Notwithstanding the above, where extraordinary events occur STOXX will always aim to provide clients with timely communications regarding decisions involving the exclusion or inclusion of countries or securities within its indices, the postponement of a scheduled rebalancing, and any reference prices used where a market or security cannot be traded in the prescribed manner.

2. Country Specific Extraordinary Events

2.1 Imposition of Financial Sanctions

Where sanctions are imposed by relevant national authorities such as the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United Kingdom (UK), or the Swiss State Secretariat for Economic Affairs that prohibit natural or legal persons from holding equity in particular countries, industries, named companies or companies linked to sanctioned individuals, STOXX will communicate a timetable for deletion of the affected securities which may be linked to the effective date of the sanctions or coincide with the effective date of an upcoming index review with a minimum of 2 business days' notice from the announcement of sanctions. If the securities are suspended during this period STOXX will delete them at a price of 0.0000001 in local currency.

2.2 Exclusion from International Monetary System

Where a country's banking sector is excluded from the International Monetary System by withdrawing the banks' ability to access systems such as SWIFT, STOXX will treat this occurrence in the same way as if the country was sanctioned. A timetable for deletion of any affected securities will be communicated which may coincide with the effective date of an upcoming index review but with a of 2 business days' notice. If the securities are suspended during this period STOXX will delete them at a price of 0.0000001 in local currency.

2.3 Central authority imposed restrictions on expropriation of foreign capital

Where a governmental or central authority imposes restrictions that limit the ability of foreign investors to repatriate their capital, in addition to discussing with affected market participants, an IGC meeting will be convened to determine the likely duration of the capital controls. If it is decided that the capital controls are expected to persist for greater than 20 local business days, then STOXX will remove any affected securities from their indices with 2 business days' notice. If the local stock exchange is functioning

normally and repatriation of capital is still feasible but over a longer timeframe, then STOXX will remove the securities at market price. If either the exchange is not functioning normally, or repatriation of capital is not possible, then STOXX will remove the affected securities at 0.0000001 in local currency.

Irrespective of the above, in accordance with Section 4.3.2 of the STOXX Index Guide, during the period of restrictions, the country's status will be temporarily changed to Not Classified. Once the restrictions have stopped, unless STOXX decides that there has been a major change to the country's existing classification, its securities will be automatically included in the next Quarterly Review. However, if STOXX decide that a major change has occurred, the country's status will remain as Not Classified until the next Annual Country Classification Review (as detailed in Section 4.3.2 of the STOXX Index Guide). STOXX will communicate to clients the country's ongoing classification 2 business days after the restrictions have stopped.

3. Market Specific Extraordinary Events

3.1 Closure of a national stock market for an extended period

If a national stock market closes unexpectedly; STOXX will determine, in consultation with affected market participants, if the likely duration of the closure will exceed 10 trading days and if alternative trading venues on which to trade the affected securities are available. If STOXX determine that no alternative listings are available and no timetable for reopening has been announced, after 10 trading days of closure STOXX will remove any affected securities from their indices with 2 business days' notice and remove the stock market from the STOXX Investable Universe (see Section 4.2 of STOXX Index Guide) . The removal price will be at 0.0000001 in local currency. When the exchange provides a firm date for resumption of its normal service, STOXX will undertake an ad hoc Country Classification Review as detailed in Section 4.3.2 of the STOXX Index Guide. If STOXX determine that the exchange is now suitable to rejoin the STOXX Investable Universe, then its securities will be automatically included in the next Quarterly Review provided clients have received at least 1 month's notice.

If alternative listings are available, then STOXX will assess whether an exchange or multilateral trading facility is accessible to most market participants and is suitably liquid to allow index replication. If suitable access and liquidity are available on the exchange or multilateral trading facility, then STOXX will notify clients of the change of listing with 2 trading days' notice. STOXX will aim to move to the new exchange or multilateral trading facility within 5 trading days after 2 full days of exchange disruption. When the original exchange provides a firm date for resumption of its normal service, STOXX will then determine the most appropriate date on which to return the listings to the original exchange. In normal circumstances the change of listings will occur at the next Quarterly Review effective date.

3.2 Market stress during an Index Review

If the market operations department of STOXX detect that in the 10 day period beginning 10 business days prior to a quarterly review month and ending on the first business day of the quarterly review month, the general market is exhibiting such stress that investment managers may not be able to perform index adjustments in an orderly manner, then STOXX may delay the upcoming rebalancing until market conditions have stabilised. STOXX will consider market stress to be where the EURO STOXX 50 Index (SX5E) exhibits extreme volatility, defined as a standard deviation of daily returns over the previous 10 days of greater than 0.0315 (approximately equal to an annualised volatility of 50%) and extreme illiquidity,

defined as index market capitalisation-weighted bid-offer spread of greater than 0.2%. STOXX will consult with clients and convene an IGC meeting to determine the best course of action. If STOXX determine that an index rebalancing should be postponed, STOXX will provide suitable notice and ensure all clients are informed of the proposed action.

3.3 Trading suspension of a security

If a security is suspended from trading for 10 consecutive business days on its primary market, it will be deleted from all indices with 2 business days' notice. Deletion will occur at the traded stock price on its primary market if a price is available or at OTC or alternative market price if not. If no prices are available deletion will occur at 0.0000001 in local currency.