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INDEX RULE BOOK

Index:	Leonteq Mixed Allocation Funds 15%RC Index
Index Sponsor:	Leonteq Securities AG
Index Calculation Agent:	Leonteq Securities AG
Date:	05 February 2025

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1. Introduction, Index Objective and Overview, Important Information

1.1 Introduction

The Leonteq Mixed Allocation Funds 15%RC Index (the "**Index**") is a notional rules-based proprietary index created by Leonteq Securities AG or its successor (the "**Index Sponsor**"). The Index is calculated and published by Leonteq Securities AG as the index calculation agent (the "**Index Calculation Agent**").

This document (as may be amended, supplemented and/or updated from time to time, the "**Index Rule Book**") comprises, amongst other things, certain rules, methodology, definitions, risk factors, disclaimers and other information applicable to the Index.

This Index Rule Book shall be read in conjunction with the Leonteq Systematic Indices Global Methodology dated 16th February 2024 (as may be amended, supplemented and/or updated from time to time, the "**Global Methodology**"), which may be obtained from the Index Sponsor free of charge upon request in writing. The Global Methodology contains the general rules applicable to notional rules-based systematic indices which may be created by the Index Sponsor from time to time, such as adjustment events, disruption events, definitions, changes in methodology, corrections, publication of an index, conflicts of interest, disclaimers and other information. This Index Rule Book and the Global Methodology together constitute the "**Index Rules**" in respect of the Index. In the event of any inconsistency between the Global Methodology and this Index Rule Book, the provisions of this Index Rule Book shall prevail.

1.2 Index Objective and Overview

The Index provides synthetic exposure to a fixed basket of seven mutual funds, as described in Section 3 (the "**Volatility Asset**"), and (ii) the three-month SEK Stockholm Interbank Offered Rate (the "**Cash Component**", and together with the Volatility Asset, the "**Components**" and each a "**Component**").

The Volatility Asset seeks an excess return via a fixed allocation to the basket of mutual funds as set out under Section 3 in the table under the definition of “Volatility Asset”.

The exposure of the Index to each Component is determined using a "volatility target mechanism", by comparing the realised volatility of the Volatility Asset measured during a 20-day lookback period against the pre-determined target volatility of 15% (the "**Target Volatility**"). The "volatility target mechanism" will increase the exposure of the Index to the Volatility Asset (and, in turn, the Volatility Asset Components) if the realised volatility of the Volatility Asset is lower than the Target Volatility and will reduce the exposure of the Index to the Volatility Asset (and, in turn, the Volatility Asset Components) if the realised volatility of the Volatility Asset is higher than the Target Volatility, subject to a minimum exposure of 0% and a maximum exposure of 150%.

The Index is calculated on an "excess return" basis, which means the performance of the percentage exposure that is invested in the Volatility Asset is reduced by the daily accrual of the Cash Component. In addition, this means that the performance of the percentage that is not invested in the Volatility Asset is flat. i.e. unchanged each Index Business Day. More details are given in Section 4.

The Index is calculated on a “price return” basis. The means that any distributions made by the Volatility Asset Components within the Volatility Asset will not be reinvested into the Index.

The value of the Index will be reduced by the deduction of a synthetic dividend.

The Index represents a notional investment in a synthetic portfolio of assets. There is no obligation on the Index Sponsor or the Index Calculation Agent to purchase and/or hold any components of the Index and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest.

1.3 Important Information

The information set out in this Index Rule Book reflects the policies of the Index Sponsor, and is subject to change in accordance with the sections entitled "*Adjustment Events and Consequences*", "*Disruption Events and Consequences*" and "*Change in Methodology, Corrections and Changes to the Index name and Publication of Index Value*" of the Global Methodology. The purposes, aims and intentions of the methodology described in this Index Rule Book may not be achieved.

Each version of this document is dated. Upon each update to a new version of this document, the most recent version shall be deemed to be in form from the date of such update and shall replace the preceding version in its entirety.

The Index is not classified as sustainable. No representation as to the sustainability – within the meaning of Regulation (EU) 2020/852 (Taxonomy Regulation) and Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) or any other sustainability-related law or regulation – of the Index or any underlying component is provided. Any reference to sustainability-related terms in relation to the Index or any underlying component shall not imply the provision of any such representation by the Index Sponsor and the Index Calculation Agent. It is furthermore specified that the Index is not aimed at investors with specific needs regarding sustainability preferences pursuant to Art. 2 No. 7 of the MiFID II Delegated Regulation (EU) 2017/565.

Prospective investors in any transaction or product linked to the Index should read this Index Rule Book in conjunction with the Global Methodology prior to making any investment decision, in particular, the section entitled "*Risk Factors*" of this Index Rule Book and the sections entitled "*Conflicts of Interest*" and "*Disclaimers*" of the Global Methodology. Prospective investors in any transaction or product linked to the Index should seek their own independent accounting, tax, investment and legal advice before making any investment decision.

2. Key Information relating to the Index

Index Name	Leonteq Mixed Allocation Funds 15%RC Index
Index Type	Excess Return
Start Date	28 June 2017
Launch Date	05 February 2025
Bloomberg Ticker	LEONMA15 <Index>
Index Currency	Swedish Krona ("**SEK**")
Index Sponsor	Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland
Index Calculation Agent	Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland
Initial Value	1,000
Synthetic Dividend	2%
Volatility Target	15%
Maximum Weight	150%

3. Definitions

For the purpose of this Index Rule Book, the following terms shall have the meanings specified below:

Cash Component	Means, in respect of any Index Business Day, the three-month SEK Stockholm Interbank Offered Rate (the "**3-Month SEK STIBOR**") as published on the Bloomberg screen page STIB3M <Index> at 11:00 am (Stockholm time) (the "**Relevant Time**") on such Index Business Day, provided that if the Index Calculation Agent determines that such reference rate does not appear on the relevant screen page or the relevant screen page is unavailable, the Index Calculation Agent will use the most recently published value of the Cash Component. The Cash Component shall be a "**Reference Rate**" for the purposes of the Global Methodology.
Change in Law	Means that on or after the Start Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation of any applicable law or regulation (including any action taken by a taxing authority) by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Index Calculation Agent determines its reasonable discretion that (a) it has become illegal for the Index Sponsor, the Index Calculation Agent or any of their affiliates to (a) hold, acquire or dispose of any hedge position in relation to any Component (or any underlying component therein), or (b) the Index Sponsor, the Index Calculation Agent or any of their affiliates will incur a materially increased cost in performing its respective obligations with respect to the Index and/or any transaction or product linked to the Index (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).
Component(s)	Each of (i) the Volatility Asset, as defined in Section 3 and (ii) the Cash Component, as defined in Section 1. Each Volatility Asset Component shall also be deemed to be a "Component" for the purposes of Section 2 (*Definitions*), Section 3 (*Adjustment Events and Consequences*), Section 4 (*Disruption Events and Consequences*) and Section 5.2 (*Corrections*) of the Global Methodology.
EURSEK	Means, in respect of an Index Business Day, the price of 1 Euro quoted in Swedish Krona, as published on the Bloomberg screen page EURSEK F100 <Curncy> at 10:00 am (New York time) on such Index Business Day. The "EURSEK" shall be deemed to be a Currency Exchange Rate for the purposes of the Global Methodology.
Index	As defined in Section 1.
Index Business Day	Means, in respect of the Volatility Asset Components comprising the Volatility Asset, any day on which, the relevant Fund Management Company for each Volatility Asset Component (and not some only) is scheduled to calculate and publish the Volatility Asset Component Level of such Volatility Asset Component, provided that such day is not a Disrupted Day for any Volatility Asset Component in the Volatility Asset.
Index Calculation Agent	As defined in Section 1.
Index Currency	As defined in Section 2.
Index Sponsor	As defined in Section 1.
Index Value	Means, in respect of any Index Business Day, the value of the Index as determined by the Index Calculation Agent in accordance with Section 4.
Initial Value	As defined in Section 2.
LTQ	As defined on the cover page.

Maximum Weight As defined in Section 2.

Start Date As defined in Section 2.

Synthetic Dividend As defined in Section 2.

Volatility Asset Means a fixed basket of the following seven Volatility Asset Components. Each Volatility Asset Component shall be a "**Fund Unit**" for the purposes of the Global Methodology:

i	Volatility Asset Component	Price Source	Domicile	ISIN Code	Fund Management Company	Currency Exchange Rate	Weighting
1	BlackRock Global Funds - Sustainable Energy Fund	MERNEEE LX Equity	Luxembourg	LU0171290074	BlackRock (Luxembourg) SA	EURSEK	(1/7)
2	Morgan Stanley Investment Funds - Global Opportunity Fund	MSGOCHE LX Equity	Luxembourg	LU1808493511	MSIM Fund Management (Ireland) Ltd	EURSEK	(1/7)
3	Carnegie Strategifond	HQSTRAA SS Equity	Sweden	SE0000429813	Carnegie Fonder AB	1	(1/7)
4	Allianz Global Artificial Intelligence	ALGAICT LX Equity	Luxembourg	LU1602091867	Allianz Global Investors GmbH	EURSEK	(1/7)
5	JPMorgan Funds - US Technology Fund	JUSTAAE LX Equity	Luxembourg	LU0159052710	JPMorgan Asset Management (Europe) SARL	EURSEK	(1/7)
6	Cliens Smabolag A	CLISMAA SS Equity	Sweden	SE0008992069	Cliens Kapitalforvaltning AB	1	(1/7)
7	Allianz Cyber Security	ALACSAT LX Equity	Luxembourg	LU2286300988	Allianz Global Investors GmbH	EURSEK	(1/7)

Volatility Asset Component Level Means, in respect of an Index Business Day and each Volatility Asset Component, the net asset value of such Volatility Asset Component in the Volatility Asset on such Index Business Day, as calculated and published by the Fund Management Company for such Volatility Asset Component.

Volatility Asset Start Date 22 May 2017

Volatility Asset Level	As defined in Section 4.3
Volatility Target	As defined in Section 2.

4. Calculation of the Index

4.1 Calculation of the Index Value

In respect of each Index Business Day falling after the Start Date (such day "**Index Business Day *t***"), the Index Calculation Agent will calculate the Index Value in accordance with the following formula:

$$Index_t = Index_{t-1} \times \left(1 + E_{t-1} \times \left\{\left[\frac{B_t}{B_{t-1}} - 1\right] - \left(Rate_{t-1} \times \frac{dt}{conv}\right)\right\} - SD \times \frac{dt}{conv}\right)$$

Where:

Index$_t$	Means the Index Value on Index Business Day *t*.
Index$_{t-1}$	Means the Index Value on the Index Business Day *t-1*.
E$_{t-1}$	Means the Exposure of the Index to the Volatility Asset in respect of Index Business Day *t-1*.
B$_t$	Means the Volatility Asset Level on Index Business Day *t, as determined by the Index Calculation Agent under Section 4.3 below*.
B$_{t-1}$	Means the Volatility Asset Level on Index Business Day *t-1*.
Rate$_{t-1}$	Means the Cash Component on Index Business Day *t-1*.
SD	Means the Synthetic Dividend
conv	Means 360.
dt	Means, in respect of Index Business Day t, the number of calendar days falling in the period commencing from, but excluding, Index Business Day *t-1* and ending on, and including, Index Business Day *t*.
Index$_0$	Means the Initial Value.
Index Business Day t-1	Means, in respect of Index Business Day t, the Index Business Day immediately preceding such Index Business Day t.

The Index Value shall be expressed in the Index Currency. The Index Value in respect of any Index Business Day shall not be less than zero. If Index Value in respect of any Index Business Day is reduced to zero on any Index Business Day, the Index Value on each subsequent Index Business Day thereafter will be equal to zero and shall remain at zero.

4.2 Calculation of the Exposure to the Volatility Asset

In order to determine the exposure ("**Exposure**") of the Index to the Volatility Asset on each Index Business Day *t*, the Index Calculation Agent will employ the following volatility target mechanism:

(i) Firstly, the Index Calculation Agent will calculate the realised volatility ("**Volatility$_t$**") of the Volatility Asset in respect of Index Business Day *t* in accordance with the following formula:

$$\boldsymbol{Volatility_t} = \sqrt{\frac{252}{20}\sum_{\boldsymbol{i=0}}^{\boldsymbol{19}}\left[\boldsymbol{Ln}\left(\frac{\boldsymbol{B_{t-i}}}{\boldsymbol{B_{t-i-1}}}\right)\right]^2}$$

Where:

i	Means the number of Index Business Days immediately preceding Index Business Day *t*.

B_{t-i}	Means the Volatility Asset Level on Index Business Day *t-i*, calculated according to Section 4.3 below.
B_{t-i-1}	Means the Volatility Asset Level on Index Business Day *t-i-1*, calculated according to Section 4.3 below.
Index Business Day t-i	Means, in respect of Index Business Day *t*, the Index Business Day which falls on a number of Index Business Days equal to the value of "i" immediately preceding such Index Business Day *t*. For example, where i=1, Index Business Day *t-i* shall be the Index Business Day immediately preceding Index Business Day *t*; where i=2, Index Business Day *t-i* shall be the second Index Business Day immediately preceding Index Business Day *t*; and so on.
Index Business Day t-i-1	Means, in respect of Index Business Day *t-i*, the Index Business Day immediately preceding such Index Business Day *t-i*.

(ii) Secondly, the Exposure ("**E_t**") of the Index to the Volatility Asset on Index Business Day *t* will be determined by the Index Calculation Agent in accordance with paragraph (a) or (b) below, as applicable:

(a) if $Volatility_t$ is equal to zero, then E_t shall be equal to the Maximum Weight;

(b) otherwise, E_t shall be determined in accordance with the formula below:

$$E_t = Min(MaxW; \frac{VT}{Volatility_{t-1}})$$

Where:

MaxW	Means the Maximum Weight of the Volatility Asset.
Min	Followed by a series of amounts inside brackets means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.
$Volatility_{t-1}$	Means, in respect of Index Business Day *t*, the realized volatility of the Volatility Asset in respect of Index Business Day *t-1*, as determined in accordance with paragraph 4.2(i) above as if each reference to Index Business Day *t* was a reference to Index Business Day *t-1*.
VT	Means the Volatility Target.

4.3 Calculation of the Volatility Asset Level

In respect of each Index Business Day falling after the Volatility Asset Start Date (such day "**Index Business Day *t***"), the Index Calculation Agent will calculate the Volatility Asset Level ("**B_t**") in accordance with the following formula:

$$B_t = B_{t-1} \times (\sum_{k=1}^{7} \frac{NAV_t^k \times FX_t^k}{NAV_{t-1}^k \times FX_{t-1}^k} \times w_r^k)$$

Where:

NAV_t^k	Means the Volatility Asset Component Level of the k[th] Volatility Asset Component on Index Business Day *t*
NAV_{t-1}^k	Means the Volatility Asset Component Level of the k[th] Volatility Asset Component on the Index Business Day *t-1*

w_r^k	Means the Weighting of the k[th] Volatility Asset Component, as outlined in Section 3
FX_t^k	Means the Currency Exchange Rate of the k[th] Volatility Asset Component on Index Business Day *t.*
FX_{t-1}^k	Means the Currency Exchange Rate of the k[th] Volatility Asset Component on Index Business Day *t-1.*
k	Denotes the 1[st] to 7[th] Volatility Asset Component.
B_0	Means the Volatility Asset Level of the Volatility Asset on Volatility Asset Start Date, equal to 1000 SEK.

Please note: From the Start Date up to and including 17 March 2021, the Volatility Asset Level is calculated for backtesting purposes by reference to the following basket of mutual funds:

i	Volatility Asset Component	Price Source	Domicile	ISIN Code	Fund Management Company	Currency Exchange Rate	Weighting
1	BlackRock Global Funds - Sustainable Energy Fund	MERNEEE LX Equity	Luxembourg	LU0171290074	BlackRock (Luxembourg) SA	EURSEK	(1/5)
2	Cliens Smabolag A	CLISMAA SS Equity	Sweden	SE0008992069	Cliens Kapitalforvaltning AB	1	(1/5)
3	Carnegie Strategifond	HQSTRAA SS Equity	Sweden	SE0000429813	Carnegie Fonder AB	1	(1/5)
4	Allianz Global Artificial Intelligence	ALGAICT LX Equity	Luxembourg	LU1602091867	Allianz Global Investors GmbH	EURSEK	(1/5)
5	JPMorgan Funds - US Technology Fund	JUSTAAE LX Equity	Luxembourg	LU0159052710	JPMorgan Asset Management (Europe) SARL	EURSEK	(1/5)

4.4 Publication of the Index Value

The Index Value will be published on each Index Business Day on Bloomberg screen page *LEONMA15* <Index>.

5. Risk Factors

5.1. The methodology underlying the Index may not produce positive returns and the Index may underperform other alternative investment strategies

No assurance can be given that the methodology underlying the Index will be successful in producing positive returns or that the Index will outperform any other alternative investment strategy. Furthermore, the results that may be obtained from investing in any transaction or product linked to the Index may well be significantly different from the results that could theoretically be obtained from a direct investment in the relevant Components or any related derivatives thereto.

5.2. Investors in the Index could lose their entire investment

The value of the Index depends on the performance of the Components, each of which may increase or decrease in value. Neither the Index nor any of the Components includes any element of capital protection or guaranteed return. The value of any Component, or the Index itself, may fall below its initial value.

5.3. There are risks associated with the volatility target mechanism

The Index has a daily volatility target mechanism, which aims to provide a notional volatility-controlled exposure to the Volatility Asset. This is achieved by periodically increasing or decreasing the exposure of the Index to the Volatility Asset, based on the realised volatility of the Volatility Asset over a certain period of time relative to a pre-determined Volatility Target. An increase in the realised volatility of the Volatility Asset may decrease the exposure of the Index to such Volatility Asset.

Through the operation of the daily volatility target mechanism, an underperformance of the Index compared to a similar index without such a mechanism could be observed in periods where the value of the Volatility Asset in which the Index holds a synthetic long position is increasing and, at the same time, the realised volatility exceeds the Volatility Target.

Potential investors should make their own investigations and form their own views as to the appropriateness or otherwise of the Index, taking into account their own circumstances. In particular, potential investors in transactions or products linked to the Index should note that the Index may not reflect the return that could be realized from a direct investment in the Volatility Asset.

5.4. The value of the Index may be zero

The value of the Index is floored at zero. If the methodology for calculating the value of the Index would otherwise result in the value of the Index on any Index Business Day of less than zero, the value of the Index shall be deemed to be zero on such Index Business Day and all subsequent Index Business Days. Any transaction or product linked solely to the Index may lose all of its value, with no chance of recovery thereafter.

5.5. A Synthetic Dividend will be deducted from any hypothetical return from the exposure to the Volatility Asset

A Synthetic Dividend will be deducted from any hypothetical return from the exposure to the Volatility Asset. The resulting Index Value would thus be lower than if no adjustment for Synthetic Dividend will be made.

5.6. Gains from an investment in transactions or products linked to the Index may be reduced by the deduction of embedded costs

Nominal embedded costs may be included within the Index and if so, will reduce the level of the Index. Notional costs may be deducted from the performance of the Index to synthetically reflect the transaction costs that a hypothetical investor would incur if such hypothetical investor were to enter into and maintain direct investment positions to provide the same exposure as the Index. These embedded costs will reduce the value of the Index.

5.7. Notional transaction costs embedded in the Index may be greater than actual transaction costs incurred in hedging transactions of the Index Sponsor or its affiliates

The calculation of the Index may provide for the deduction of certain notional transaction costs. The transaction costs reflected in the calculation of the Index and the Components included in the Index are calculated by reference to pre-determined rates and do not necessarily reflect the actual or realised transaction costs that would be incurred by a hypothetical investor if such hypothetical investor were to enter into and maintain direct investment positions to provide the same exposure as the Index, which could be larger or smaller from time to time. The Index Sponsor (or its affiliates) may benefit if the notional transaction costs embedded in the Index exceed the actual transaction costs that may be incurred by the Index Sponsor (or its affiliates) in hedging transactions that may be entered into in respect of the Index.

5.8. The Index has a limited operating history and may perform in unanticipated ways

As the Index is a relatively new index and limited historical performance data exists with respect to the Index, an investment linked to returns generated by the Index may involve greater risk than an investment linked to returns generated by an investment strategy with a proven track record. A longer history of actual performance could provide more reliable information on which to assess the validity of the Index and on which to base an investment decision, and the fact that the Index is relatively new means that its history of actual performance is relatively short. There can be no guarantee or assurance that the Index will operate in a manner consistent with the data available.

5.9. There are certain risks in relation to back-testing

The Index Calculation Agent will designate the "Start Date", on which the value of the Index is equal to the "Initial Value" as specified in the relevant Index Rules. The values of the Index in the period from such Start Date, to a date (the "**Launch Date**") no later than the date on which investment products linked to the Index are first implemented (which may be materially later than the Start Date) will be calculated on the basis of back-tested data ("**back-testing**").

Index values for such period are hypothetical, and are calculated at or around the Launch Date in accordance with the Index methodology but using historical data available to the Index Calculation Agent at the time of calculation. If such historical data is not available or is incomplete for any particular day, the Index Calculation Agent 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 Calculation Agent), as it deems necessary to calculate such hypothetical value of the Index.

If such historical data was available or complete, or if different sources or values were used in such back-testing, the Index values for such period would be different, potentially materially so. Accordingly, the Index values may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, the Index over any time period from the Launch Date. Furthermore, any back-testing is based on information and data provided to the Index Calculation Agent by third parties. The Index Calculation Agent will not have independently verified or guaranteed the accuracy and/or the completeness of such information or data provided and is not responsible for any inaccuracy, omission, mistake or error in such information, data and/or back-testing.

5.10. The Index is not actively managed

The exposure of the Index to its Components is determined in accordance with the index methodology set out in the relevant Index Rules. Therefore, there will be no active management of the Index so as to enhance returns beyond those embedded in the Index. Market participants often adjust their investments promptly in view of market, political, financial or other factors. An actively managed investment may potentially respond more directly and appropriately to immediate market, political, financial or other factors than a non-actively managed strategy such as the Index. No assurance can be given that the Index will replicate or outperform a comparable strategy which is actively managed and the return on the Index may be lower than the return on an actively managed strategy.

5.11. The Index may not be a fully diversified portfolio

Diversification is generally considered to reduce the amount of risk associated with generating returns. The exposure of the Index may be concentrated in certain industrial sectors and a single geographical market. There can be no assurance that the Index will be sufficiently diversified at any time to reduce or minimize risks of volatility. The more concentrated the Index is in certain industrial sectors and/or geographical

markets, the greater degree of volatility the Index may exhibit, and this could in turn result in an adverse effect on the returns of the Index.

In addition, Components in certain industrial sectors and/or geographical markets may suffer the same adverse performance following a general downturn or other economic or political event, and this could in turn have an adverse effect on the returns of the Index.

5.12. Past performance of the Index is no guide to future performance

The actual performance of the Index over the life of any transaction or product linked to the Index as well as the amount payable at maturity or on settlement may bear little relation to the historical values of the Index. It is not possible to predict the future performance of the Index.

5.13. Historical analysis or other statistical analysis in respect of the Index is no guarantee of the performance of the Index

Certain presentations and historical analysis or other statistical analysis materials in respect of the operation and/or potential returns of the Index which may be provided are based on simulated analyses and hypothetical circumstances to estimate how the Index may have performed prior to its Launch Date. Neither the Index Sponsor nor the issuer of any product linked to the Index provides any assurance or guarantee that the Index will operate or would have operated in the past in a manner consistent with those materials. As such, any historical returns projected in such materials or any hypothetical simulations based on these analyses or hypothetical values, which are provided in relation to the Index, may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, the Index over any time period.

5.14. An investor of any transaction or product linked to the Index will have no rights with respect to any underlying assets included in the Index

Investing in any transaction or product linked to the Index will not make the investor a holder of any underlying asset included in the Index (whether directly or indirectly via one or more Components). The investor of any transaction or product linked to the Index will not have any rights to vote or receive dividends with respect to any of the Components. Any amounts payable on any transaction or product linked to the Index will be made in cash, and the investor of any transaction or product linked to the Index will have no right to receive any underlying assets included in the Index (whether directly or indirectly via one or more Components).

5.15. The policies of the Index Sponsor and changes that affect the Index could affect the value of the Index

The policies of the Index Sponsor concerning the calculation of the Index could affect the value of the Index and, therefore, the amount payable on any transactions or products linked to the Index on the stated maturity date of such transactions or products and the market value of such transactions or products before that date. The amount payable on any transactions or products linked to the Index and their market value could also be affected if the Index Sponsor changes these policies, for example, by changing the manner in which it calculates the Index, or if the Index Sponsor or the Index Calculation Agent discontinues or suspends calculation or publication of the Index, in which case it may become difficult to determine the market value of such transactions or products. If such policy changes relating to the Index or the calculation or publication of the Index is discontinued or suspended, the calculation agent of any transaction or product linked to the Index may have discretion in determining the value of the Index on the relevant determination date and the amount payable on such transactions or products.

5.16. The Index Calculation Agent has the discretion to make determinations that could materially affect the Index and create conflicts of interest

The Index Calculation Agent does not generally exercise any discretion and owes no fiduciary duties in respect of the Index or any transaction or product linked to the Index. However, the Index Calculation Agent has a certain amount of discretion in the event of, amongst other things, the occurrence of certain disruption events or adjustment events in respect of the Index (each as more particularly described in the relevant Index Rules).

Determinations made by the Index Calculation Agent could adversely affect the value of the Index or any transaction or product linked to the Index and the exercise by the Index Calculation Agent of its discretion

could present it with a conflict of interest of the kind described in the Global Methodology. In making those determinations, the Index Calculation Agent will not be required to, and will not, take the interests of any investor in any such transaction or product linked to the Index into account or consider the effect its determinations will have on the value of such transaction or product. All determinations made by the Index Calculation Agent shall be at its sole discretion and shall be conclusive for all purposes and will bind all investors of any transaction or product linked to the Index. The Index Calculation Agent shall not have any liability for such determinations.

5.17. Data sourcing and calculation risks associated with the Index and its Components may adversely affect the value of the Index

The value of the Index is calculated based on price data that may be subject to potential errors in data sources or other errors that may affect the closing levels and/or prices published by the relevant sponsor.

Any errors in the third party information or data that the Index relies on to generate the signal may impact the other calculations underlying the Index methodology, such as whether the Index takes a long or short position in an immediate component included in the Index. Such errors could adversely affect the value of the Index. Neither the Index Sponsor, nor any of its affiliates is under any obligation or currently intends to independently verify such third party information or data from any third party data source or to advise any investor in any transaction or product linked to the Index of any inaccuracy, omission, mistake or error of which it or any such affiliate becomes aware. Consequently, neither the Index Sponsor nor any of its affiliates shall be liable (whether in contract, tort or otherwise) to any person for any inaccuracy, omission, mistake or error in the calculation or dissemination of the value of the Index.

There can be no assurance that any error or discrepancy on the part of any data source or sponsor will be corrected or revised. Even if any error or discrepancy on the part of any third party data source or sponsor is corrected or revised, neither the Index Sponsor nor any of its affiliates is under any obligation or currently intends to incorporate any such correction or revision into the calculation of the value of the Index or the level of any terminal component. Neither the Index Sponsor, or any of its affiliates makes any representation or warranty, express or implied, as to the correctness or completeness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the value of the Index or on the performance of any Components referenced therein. Any of the foregoing errors or discrepancies could also adversely affect the value of the Index.

5.18. Information about the Index may only be available through the Index Sponsor

The rules for the Index are only available through the Index Sponsor. The Index Sponsor may not provide investors of any transaction or product linked to the Index with further information in relation to the Index beyond what is provided in the relevant Index Rules and further information may not be generally available. The Index Sponsor has entered into non-exclusive licensing agreements with certain of its third party data suppliers in order to source the necessary data to calculate the Index. The formalities necessary to obtain access to such figures may deter potential investors from investing in a transaction or product linked to the Index on the secondary market.

5.19. The Index relies on the use of third-party information

The Index methodology relies on the use of third-party information. The inability of the Index Calculation Agent to source necessary data to calculate the relevant formulae of the Index may affect the value of the Index. Investors considering acquiring or making an investment in a transaction or product linked to the Index should carefully read and understand the information about the Index and its Components (and any constituents thereof). Information about the Components (and any constituents thereof) can be found on the Bloomberg and/or the stock exchanges on which the constituent equity stocks are listed. However, LTQ makes no warranty as to the correctness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index.

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