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VOLATILITY SWAP – EMEA SINGLE INDEX

Date: [•]
To: [•] (“**Party B**”)
Attention: [•]
Fax No.: [•]
From: [UBS AG, London Branch] **OR** [UBS Limited] (“**Party A**”)
Re: Index Swap Transaction - UBS Ref: [•]

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the “**Swap Definitions**”) and in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”, and together with the Swap Definitions, the “**Definitions**”), in each case as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between either set of Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms part of, and is subject to the ISDA Master Agreement dated as of [•] as amended and supplemented from time to time (the “**Agreement**”) between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date: [•] (time of execution available upon request).
Effective Date: The Observation Start Date.
Termination Date: The Cash Settlement Payment Date.
Volatility Buyer: [Party A.]

OR

[UBS AG, LONDON BRANCH, 1 Finsbury Avenue, London EC2M 2PP
UBS AG is a member of the London Stock Exchange and is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.
Representatives of UBS Limited introduce trades to UBS AG via UBS Limited.] **OR**
[UBS Limited, 1 Finsbury Avenue, London EC2M 2PP
UBS Limited is a subsidiary of UBS AG.
UBS Limited is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.]

	[Party B.]
Volatility Seller:	[Party B.]
	OR
	[Party A.]
Index:	[•] (Bloomberg code: [•]).
Exchange:	[•].
	OR
	[Multiple Exchange (as defined in the Multiple Exchange Index Annex hereto.)
Related Exchange:	[•].
	OR
	[All Exchanges.]
Multiple Exchange Index Annex:	If the Exchange is specified to be “Multiple Exchange”, Applicable; otherwise, Not Applicable.
Equity Amounts:	
Equity Amount Payer:	If the Equity Amount is:
	(a) a positive amount, the Volatility Seller shall be the Equity Amount Payer and shall pay the Volatility Buyer an amount equal to the Equity Amount on the Cash Settlement Payment Date;
	(b) a negative amount, the Volatility Buyer shall be the Equity Amount Payer and shall pay the Volatility Seller an amount equal to the absolute value of the Equity Amount on the Cash Settlement Payment Date; or
	(c) zero, there will be no Equity Amount Payer and neither party shall be required to make any payment to the other party.
Equity Notional Reset:	Not Applicable.
Type of Return:	Not Applicable.
Initial Price:	Not Applicable.
Final Price:	Not Applicable.
[Initial Index Level:	[•]

OR

Closing Index Level: Applicable.

OR

Expiring Contract Level: Applicable.]¹

Volatility Amount: [•]

Volatility Strike Price: [•]²

Valuation Date: [•].

Valuation Time: The Scheduled Closing Time (or, if the relevant Exchange closes prior to its Scheduled Closing Time, the actual closing time for its regular trading session).

Amendment to Valuation Time: If this Transaction has more than one Exchange, then unless the Multiple Exchange Index Annex applies, the Valuation Time (a) for the purposes of determining whether an Early Closure has occurred in respect of (i) any security in the Index, is the Scheduled Closing Time on the Exchange in respect of that security, and (ii) future contracts on the Index, is the close of trading on the Related Exchange; and (b) for all other purposes, is the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

Observation Start Date: [The Trade Date.]

OR

[]³

Observation End Date: The Scheduled Valuation Date.

Observation Day: Each Scheduled Trading Day during the Observation Period, whether or not such day is a Disrupted Day.

¹ When entering into this Transaction, the parties should specify whether, for purposes of determining the initial Index level, they are agreeing to (a) a specific initial level (in which case, such level should be specified as the “Initial Index Level”) or (b) use the level of the Index at the close of the regular trading session on the Observation Start Date (in which case “Closing Index Level” should be specified as Applicable) or (c) in the case of a forward starting transaction only, use the Official Settlement Price of the Expiring Contract on the Observation Start Date (in which case “Expiring Contract Level” should be specified as Applicable). In the case of a forward starting transaction only, if none of “Initial Index Level”, “Closing Index Level” or “Expiring Contract Level” is specified, the Confirmation provides that the initial Index level will be the Official Settlement Price of the Expiring Contract on the Observation Start Date.

² The Volatility Strike Price should not be expressed as a decimal amount (For example, a Volatility Strike Price of 20.50 per cent or 0.205 should be expressed as 20.50 and not as 20.50% or 0.205).

³ Include if the Observation Start Date is other than the Trade Date (i.e. in the case of a forward starting transaction).

Section 6.6 (or, if “Futures Price Valuation” is applicable, Sections 6.8(a) and 6.8(e)) of the Equity Definitions shall not be applicable to any Observation Day other than the Valuation Date, in which case P_t (as defined below) in respect of the Valuation Date shall be determined in accordance with the applicable Section.

Non-Disrupted Observation Day:

An Observation Day that is not a Disrupted Day.

Observation Period:

The period from, but excluding, the Observation Start Date to, but excluding, the Observation End Date, and the Valuation Date.

Futures Price Valuation:

[If there is an Exchange-traded Contract specified in this Confirmation or if there is a Default Exchange-traded Contract with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as the Scheduled Valuation Date, then Futures Price Valuation shall be Applicable.

If “Futures Price Valuation” is applicable, Futures Price Valuation as described in Section 6.8 of the Equity Definitions shall apply only with respect to the Valuation Date, it being understood that, if the Official Settlement Price is not published on the Scheduled Valuation Date for a reason other than the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued, the Valuation Date shall be the first succeeding Scheduled Trading Day on which the Official Settlement Price is published; provided that (a) Section 6.8(b)(i)(B) of the Equity Definitions is hereby amended by inserting “or expiration” after “delivery”, (b) the definition of “Official Settlement Price” in Section 6.8(b)(ii) of the Equity Definitions is hereby amended by (1) inserting “or exercise settlement value, as applicable,” after “official settlement price”; (2) inserting “or, as the case may be, Default Exchange-traded Contract, ”, and (3) replacing “Exchange” with “exchange” both times it appears, (c) Section 6.8(d) of the Equity Definitions is hereby amended by replacing “Exchange” with “relevant exchange or relevant clearing house”, and (d) Section 6.8(f) of the Equity Definitions is hereby amended by inserting “or relevant clearing house” after “relevant exchange”.

Notwithstanding anything to the contrary above, if “Futures Price Valuation” is applicable and the expiry date of that Exchange-traded Contract is modified after the Trade Date other than as a result of that day being a

Disrupted Day or not a Scheduled Trading Day, then Futures Price Valuation shall be Not Applicable.]⁴

OR

[Not Applicable.]⁵

Exchange-traded Contract: []⁶

OR

[Not Applicable]

Default Exchange-traded Contract: In respect of an Observation Start Date or a Scheduled Valuation Date, as applicable, the options contracts relating to the Index traded on the Related Exchange or, if none, the futures contracts relating to the Index traded on the Related Exchange, in either case with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as the Observation Start Date or Scheduled Valuation Date, as applicable.

Equity Amount: Notwithstanding anything to the contrary in Section 8.7 of the Equity Definitions, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula:

(a) unless “Volatility Cap” is specified as Applicable:

Volatility Amount x [FRV – Volatility Strike Price]; or

(b) if “Volatility Cap” is specified as Applicable:

Volatility Amount x [Min(FRV, Volatility Cap Amount) – Volatility Strike Price]

Volatility Cap: [Not Applicable.]

OR

[Applicable.]

⁴ Default provision. Please insert if Future Price Valuation is Applicable as this language provides that Futures Price Valuation will be applicable if (i) the parties specify an Exchange-traded Contract or (ii) the Official Settlement Price of the Default Exchange-traded Contract is due to be published on the Scheduled Valuation Date.

⁵ Include only if the parties have agreed when entering into this Transaction that Futures Price Valuation is not applicable with respect to the Observation End Date for which there is a Default Exchange-traded Contract.

⁶ Specify the relevant contract if the parties wish to modify the default definition in this Confirmation.

⁷ Specify if Volatility Cap is applicable.

Volatility Cap Amount: [2.5 x Volatility Strike Price] OR [[•] x Volatility Strike Price]]⁷

Final Realized Volatility (“FRV”): An amount determined in accordance with the following formula:

$$100 \times \sqrt{\frac{252 \times \sum_{t=1}^N \left(\text{Ln} \frac{P_t}{P_{t-1}} \right)^2}{N}}$$

Where:

“t” means the relevant Observation Day;

“N” means [•] OR [the number of days that, as of the Trade Date, are expected to be Scheduled Trading Days for the period from, but excluding, the Observation Start Date to, and including, the Scheduled Valuation Date];

“Ln” means the natural logarithm;

“P_t” means, in respect of any Observation Day, the official level of the Index at the Valuation Time on such Observation Day; provided that, except in respect of the Valuation Date, if an Observation Day is a Disrupted Day, P_t for such Observation Day shall be deemed to equal P_{t-1} (as defined below) for such Observation Day; provided, further that, if “Futures Price Valuation” is applicable, in respect of the Valuation Date, “P_t” means the Official Settlement Price of the Exchange-traded Contract (or, if none, the Default Exchange-traded Contract) on the Valuation Date;

“P_{t-1}” means:

- (a) in respect of the first Observation Day,
 - (i) if an “Initial Index Level” is specified in this Confirmation, such Initial Index Level;
 - (ii) if “Closing Index Level” is specified as Applicable in this Confirmation,
 - (A) if the Observation Start Date is not a Disrupted Day, the official level of the Index at the Valuation Time on the Observation Start Date; or
 - (B) (1) if the Observation Start Date is the Trade Date and is a Disrupted Day as a

result of a Market Disruption Event, the official level of the Index immediately prior to the occurrence of the relevant Market Disruption Event or (2) if (x) the Observation Start Date is not the Trade Date and is a Disrupted Day or (y) the Observation Start Date is the Trade Date and is a Disrupted Day as a result of a relevant Exchange or any Related Exchange failing to open for trading during its regular trading session, the official level of the Index at the Valuation Time on the immediately following Non-Disrupted Observation Day; provided that, in the case of clause (2), if each of the eight Scheduled Trading Days immediately following the Observation Start Date is a Disrupted Day, the Calculation Agent shall determine P_{t-1} for the Observation Start Date in accordance with Section 6.6(a)(ii) of the Equity Definitions; or

- (ii) if (A) “Expiring Contract Level” is specified as Applicable or none of “Initial Index Level”, “Closing Index Level” or “Expiring Contract Level” is so specified and (B) the Observation Start Date is not the Trade Date, but is a date on which the Official Settlement Price of an Expiring Contract (determined as if the Expiring Contract were an Exchange-traded Contract) is scheduled to be calculated, the Official Settlement Price of the Expiring Contract (whenever published); provided that, if trading in such Expiring Contract never commences or is permanently discontinued at any time on or prior to the Observation Start Date, P_{t-1} shall be the official level of the Index at the Valuation Time on the Observation Start Date (or, if the Observation Start Date is a Disrupted Day, the official level of the Index at the Valuation Time on the immediately following Non-Disrupted Observation Day; provided that, if each of the eight Scheduled Trading Days immediately following the Observation Start Date is a Disrupted Day, the Calculation Agent shall determine P_{t-1} for the Observation Start Date in accordance with Section 6.6(a)(ii) of the Equity Definitions); and
- (b) in respect of any Observation Day subsequent to the first Observation Day, P_t for the Observation Day immediately preceding such Observation Day; and

“Expiring Contract” means a Default Exchange-traded Contract with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as the Observation Start Date.

Market Disruption Event:

Unless the Multiple Exchange Index Annex applies, Section 6.3(a) of the Equity Definitions shall be replaced in its entirety with the following:

“Market Disruption Event” means in respect of an Index, the occurrence or existence of (i)(A) a Trading Disruption or (B) an Exchange Disruption, in either case at any time during the five minute period that ends at the relevant Valuation Time or (ii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if there is a Market Disruption Event in respect of a security included in the Index at any time on a Scheduled Trading Day, the relevant percentage contribution of that security to the level of the Index shall be the percentage contribution of that security as of the Valuation Time on the Exchange Business Day immediately preceding that Scheduled Trading Day, as published by Bloomberg Financial Markets (or if Bloomberg Financial Markets ceases to publish such percentage contributions, a replacement therefor acceptable to the Calculation Agent) (the **“Percentage Publisher”**); provided that if the Percentage Publisher did not publish such a percentage contribution at that time, the relevant percentage contribution will be determined by the Calculation Agent based on the price for the securities included in the Index as of the Valuation Time on the immediately preceding Exchange Business Day, as reported in the official real-time price dissemination mechanism for the relevant Exchange (or, if trading in a security included in the Index is disrupted at that time, based on its good faith estimate of the value of the relevant security at that time).”

Each of Section 6.3(b) and 6.3(c) of the Equity Definitions shall be amended by deleting the words “or options” in subclause (ii) thereof.

Floating Amounts:

Not Applicable. No Floating Amount shall be payable by either party.

Settlement Terms:

Cash Settlement:

Applicable.

Settlement Currency:

[•].

Cash Settlement Payment Date:

[•] Currency Business Days following the Valuation Date.

Index Adjustment Events:

Index Modification: Related Exchange Adjustment, unless at the time such Index Modification occurs no futures or options contract relating to the Index is traded on the Related Exchange, in which case IVS Cancellation and Payment (Calculation Agent Determination) applies.

Index Cancellation: IVS Cancellation and Payment (Calculation Agent Determination); provided that for purposes of Section 11.1(a) of the Equity Definitions (and without limiting the generality thereof), a successor sponsor acceptable to the Calculation Agent shall be deemed to exist for so long as there exists and continues to exist a futures or options contract relating to the Index traded with sufficient liquidity (as determined by the Calculation Agent) on the Related Exchange and the Related Exchange or its clearing house continues to publish at least the closing level of the Index (or the Successor Index) for purposes of each day the relevant contract trades.

Index Disruption: Calculation Agent Adjustment; provided that, if the Multiple Exchange Index Annex applies, a failure on the Valuation Date by the Index Sponsor to calculate and announce the Index will not be treated as an Index Disruption but will instead constitute a failure by the Index Sponsor to publish the level of the Index for purposes of the definition of “Disrupted Day” in the Multiple Exchange Index Annex.

Related Exchange Adjustment: If an Index Modification occurs, the Calculation Agent will make one or more adjustments as provided in Section 11.2(b) of the Equity Definitions (without regard to the words “diluting or concentrative” in the second sentence, adding the words “or futures contracts” after each use of the word “options” and replacing the word “Share” or “Shares” with “Index” or “Indices” and the word “Options Exchange” with “Related Exchange”).

Calculation Agent Adjustment: For the purposes of an Index Disruption, Section 11.1(b) of the Equity Definitions shall be amended by replacing references to “Valuation Date” with “Observation Day or the Observation Start Date (as applicable)” and adding “ P_t , Initial Index Level,” after the words “calculate the relevant” on the fourth line of subsection (A).

Additional Disruption Events:

Change in Law: Applicable. Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words:

“‘**Change in Law**’ means that, on or after the Trade Date of any Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation 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 Calculation Agent determines in good faith that it has become illegal for a party to that Transaction to hold, acquire or dispose of Hedge Positions relating to such Transaction, provided that this Section 12.9(a)(ii) shall not apply if the Calculation Agent determines that such party could have taken reasonable steps to avoid such illegality.”

Hedge Positions:

The definition of “Hedge Positions” in Section 13.2(b) of the Equity Definitions shall be amended by inserting the words “or an Affiliate thereof” after the words “a party” in the third line.

Consequences of Additional
Disruption Events:

Section 12.9(b)(i) of the Equity Definitions is hereby amended by replacing the words “the Determining Party will determine the Cancellation Amount payable by one party to the other” with the words “the Calculation Agent will determine the amount payable by one party to the other as provided in ‘IVS Cancellation and Payment (Calculation Agent Determination)’”.

Additional Representations, Agreements and Acknowledgments:

[Non-Reliance:

Applicable.

In addition,]⁸ each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of any written agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of this Transaction will not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of this Transaction.

Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and

⁸ Please insert only for dealers – please delete for clients

understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.

Status of Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of this Transaction.]⁶

Commodity Futures Modernization Act of 2000. It is an “eligible contract participant” under, and as defined in, the Commodity Futures Modernization Act of 2000 and it was not formed solely for the purposes of constituting an “eligible contract participant”.

Material Non-Public Information. It is not aware of any material non-public information or unpublished price sensitive information with respect to the Index or the shares comprising the Index that, under any applicable securities laws, it would have to disclose before dealing in the Index.

References in this clause to “a party” shall, in the case of Party A and where the context so allows, include references to any affiliate of Party A.

Agreements and Acknowledgments

Regarding Hedging Activities: Applicable.

Index Disclaimer: Applicable.

Additional Acknowledgments: Applicable.

Additional Provisions

IVS Cancellation and Payment
(Calculation Agent
Determination):

Section 11.1(b)(C) of the Equity Definitions shall apply, except that the Calculation Agent shall determine the amount payable by one party to the other, which amount shall be payable on the second Currency Business Day following the date that the notice of determination is provided by the Calculation Agent.

Calculation Agent: [Party A.]⁷

OR

[Party A and Party B acting jointly in good faith and a commercially reasonable manner. The joint Calculation

⁶ Please insert for clients

⁷ Please insert as a default for clients

Agents are responsible for making all determinations under this Transaction that are not expressed to be the responsibility of an identified party. If Party A and Party B do not reach agreement on any determination, Party A and Party B must agree 3 leading independent dealers to act as substitute Calculation Agent in place of Party A and Party B (the “**Substitute Calculation Agents**”) for that determination, and if the parties do not agree 3 Substitute Calculation Agents, they must each appoint a third party for those third parties to together agree 3 Substitute Calculation Agents. The Substitute Calculation Agents cannot be affiliates of either Party A or Party B. For price or rate determinations, the median price or rate provided by the 3 Substitute Calculation Agents is deemed to be the price or rate. For all other matters, the consensus determination of at least 2 of the 3 Substitute Calculation Agents is deemed to be the final determination, and if no consensus is reached by at least 2 Substitute Calculation Agents within a reasonable time, these Substitute Calculation Agent terms cease to apply to that determination. Unless there is a clear error, the prices, rates and other determinations of the Substitute Calculation Agents are binding and conclusive. Party A and Party B must pay any costs of the Substitute Calculation Agents equally. Party A and Party B waive any claim they might otherwise have against the Substitute Calculation Agents for errors or omissions made in good faith in making any determination in connection with this Transaction.]⁸

OR

[Party A. All determinations and calculations by the Calculation Agent shall be subject to agreement by Party B. If unable to agree, each of them agrees to be bound by the determination of a leading, independent dealer in options on the Index selected by agreement between Party A and Party B, whose fees and expenses, if any, shall be met equally by them both (the “**Substitute Calculation Agent**”). If unable to agree on a Substitute Calculation Agent, each of Party A and Party B shall select an independent dealer in equity options and such independent dealers shall agree on a third party, who shall be deemed to be the Substitute Calculation Agent. The Substitute Calculation Agent shall have no liability or responsibility to the parties for any error or omission in making any determination in connection with this Transaction.]⁹

[Independent Amount:

For the purposes of this Transaction, the Independent Amount specified in respect of Party B in the Credit Support Annex to the Agreement (the “**Annex**”) shall be amended such that it equates the sum of (i) the

⁸ Please insert as a default with dealers, unless otherwise specified.

⁹ Please insert if dispute rights are granted.

Independent Amount so specified, as amended from time to time and (ii) [•]% of the Volatility Amount. For the avoidance of doubt, the Trade Date shall be deemed to be a Valuation Date for the purposes of the Annex.]¹⁰

Notice and Account Details:

For Party A: [•]

For Party B: [•]

Contact Details at Party A:

Payments:

Tel: + 44 207 568 0092

Fax: + 44 207 568 9251

Documentation (by Region):

Europe: Tel: +44 207 422 2792

Fax: +44 207 568 9895/9896

USA: Tel: +44 207 422 2477

Fax: +1 719 203 0538

Asia Pacific: Tel: + 44 207 422 2487

Fax: + 44 207 568 9895/9896

Settlement:

This Transaction has been entered into by a member of the UBS group (the “**UBS Party**”). For the avoidance of doubt, any payment or delivery obligations of the UBS Party in respect of this Transaction may be effected by UBS Limited, UBS Securities LLC or UBS AG, London Branch (the “**Settlement Agent**”). The UBS Party has authorised the Settlement Agent to act on its behalf in the same manner and with the same force and effect as the UBS Party might or could do in connection with any such payment or delivery obligation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us at your earliest convenience.

Yours faithfully,

[UBS AG, London Branch] [UBS Limited]

¹⁰ To be included if a transaction-specific initial margin applies.

[•]
[•]

[•]
[•]

Agreed and accepted as of the first date written above

[•]

By: _____
Name:
Title:

By: _____
Name:
Title:

[Include if “Exchange” states “Multiple Exchange”]

MULTIPLE EXCHANGE INDEX ANNEX

If the Confirmation states “Multiple Exchange”, then this Multiple Exchange Index Annex applies.

- Multiple Exchange:** If the Exchange is specified as “Multiple Exchange”, then “Exchange” shall mean, in respect of each Component Security, the stock exchange on which that Component Security is principally traded, as determined by the Calculation Agent.
- Component Security:** Each component security of the Index.
- Amendment to Section 6.8(e):** The words “the level of the relevant Index at the close of the regular trading session on the relevant Exchange” on lines 4 and 5 of Section 6.8(e) of the Equity Definitions shall be deleted and replaced with the words “the official closing level of the Index as calculated and published by the Index Sponsor”.
- Scheduled Trading Day:** Any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
- Exchange Business Day:** Any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.
- Valuation Time:**
- (i) For the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and
 - (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.
- Market Disruption Event:** Either:
- (i) (a) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such

Component Security is principally traded; OR

(3) an Early Closure; AND

(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent or more of the level of the Index; OR

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

Trading Disruption: Any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

Exchange Disruption: Any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.

Early Closure: The closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Disrupted Day: Any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open

for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.