INDEX RULES

ECPI GLOBAL RENEABLE ENERGY EQUITY INDEX

AUGUST 2011

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INTRODUCTION

The present document defines the rules for the calculation and management of the ECPI Global Renewable Energy Equity Index. The Index Rules are available on ECPI website, www.ecpindices.com, and on ECPI Bloomberg page, ECPS <GO>.
The ECPI Global Renewable Energy Equity Index includes a set of 20 global companies that aim at providing near-term solutions to global warming while offsetting the longer-term impacts of climate change through renewable energy, alternative fuels, clean technology and efficiency.

SECTOR VALIDATION

Constituent selection is based on ECPI ESG Screening methodology. Nuclear energy and oil companies are not taken into consideration, except for the specific discretionary cases when a company can substantially contribute to the sustainable development and use of renewable energies. Inclusion of such companies will be explicitly communicated.

SUSTAINABILITY

ECPI evaluates each company based on its specific environmentally sustainable efforts, environmental management and capability to offset negative climate impacts.

RENEWABLE ENERGY: THE BACKGROUND

The time of oil and gas shortages is near to come and, as a result, obtaining electricity from alternative sources has become increasingly important.

The global boom in renewable energy is underway and it is set to continue. Overall, strong growth rates are forecasted for "clean energy sources". Markets are expected to grow from USD 16 Bio in global revenues in 2004 to more than USD 100 Bio by 2014 according to a report released by Clean Edge, an energy research and publishing firm.

The share of renewable energy in total worldwide electricity production is 17.9%. Roughly 90% of that share is water power (16.2% of total electricity production), biomass 6% and the remaining renewable energy processes almost 4%[1]].

TYPES OF REBEWABLE ENERGY

Renewable energy is generally classified as commercial energy production or energy sources which are inexhaustible.

- Bioenergy: a low cost energy source that can be obtained from biomass, in particular wood straw maize, sugar beet, oil-seed rape, biogas and plant oils. Its main advantage is the reduction of carbon dioxide emission into the atmosphere.
- Solar Power: energy of the sun (nuclear fusion), which takes the form of electromagnetic radiation.
- Waterpower: energy of water currents which can be converted into mechanical energy.
- Wind power: the kinetic energy produced by masses of air moving in the atmosphere.
- Geothermal: the heat stored in the upper layer of the earth's crust. It describes both the energy produced by or stored in the earth.
- Fuel cells: a fuel cell is a voltaic cell that converts a continuous supply of fuel and an oxidizing agent into usable electrical energy.

[1] Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, June 2005, Germany.

- Alternative Solutions: ECPI selects global players active in implementing innovative solutions that allow a more efficient and environmental friendly use of power resources.

GUIDING PRINCIPLES

ECPI Alpha Indices are constructed and maintained according to the following principles:

- **ESG Rated Companies**
  The index is representative of the positively/highest ESG-rated companies according to the proprietary ECPI ESG Rating Methodology.

- **Investible and Replicable**
  The index should be capable of being replicated by reference to securities of reasonable size and liquidity.

- **Disciplined Approach**
  The index is constructed and managed using a set of principles, rules and guidelines. This approach is followed to maintain the attributes of stability, diversification across industries and securities accurate with respect to the ESG Rating Methodology.

- **Transparency**
  The index is built and maintained using clear and pre-defined rules in the public domain. The index is published on a daily basis through a variety of well known financial services providers.

- **Independence and Objectivity**
  The index is based on independent and objective content decisions. ECPI believes in an open dialogue with its clients, considering with objectivity their suggestions to enhance the index provision. By analyzing all the feedback received from its clients, ECPI takes the final decision independently in order to preserve the quality of the index.

ELIGIBILITY CRITERIA

The ECPI Global Renewable Energy Equity Index is designed to provide exposure to a basket of the highest ESG rated, most capitalized and most liquid companies active in the renewable energy, alternative fuels, clean technology and efficiency markets.

The index is equally weighted and rebalanced annually on the third Friday of October.

To be eligible for inclusion in the ECPI Global Renewable Energy Equity Index, a stock must satisfy the following criteria (in which case, it will be an "eligible stock"):

1. it is active in the renewable energy, alternative fuels, clean technology and efficiency markets

2. it belongs to the Global Developed Markets as defined in Appendix A. If a company is based in the Emerging Markets, only ADR o GDR of this company, that is listed in a Global Developed Market, will be considered for inclusion

3. it has a positive ECPI ESG Rating (from EEE to E-)

4. the issuer of the stock must have a minimum market capitalization of € 1 billion

5. the average daily traded value of the stock over the last 6 months shall be equivalent to a minimum of € 10 million

Additionally, the ECPI Global Renewable Energy Equity Index has to meet the following criteria (selection order):

6. **Stock Diversification Criteria** – the ECPI Global Renewable Energy Equity Index will be composed of 20 stocks selected in descending order of market capitalization

7. **Sector Diversification Criteria** – constituents shall be classified by sector in accordance with the Bloomberg Industry Classification System (BICS). Maximum sector concentration is 30%.

REVIEW

Annually, on the Reference Date[2] immediately preceding the relevant Rebalance Date[3], stocks will be selected in accordance with the criteria described above (paragraph 3) as new constituents of the index.

As a consequence, if a constituent company is downgraded between two consecutive review dates so that it doesn't satisfy the eligibility criteria any more, it will be replaced on the immediately following rebalance date.

BUFFER RULE

- All current constituents ranked 30 or above in the selection order will remain in the index.
- For all current constituents, a tolerance of 20% is applied to the market capitalization and 6-months daily average value traded limits. Therefore, a constituent will be allowed to remain in the index if it has a minimum market cap of € 800 million and a minimum liquidity of € 8 million.

STOCK REPLACEMENT

If index constituents are displaced, replacement stocks are selected starting from the highest ranked non-constituent in the reference universe according to criteria defined in paragraph 3.

[2] "Reference Date" means the last business day of June.

[3] "Rebalance Date" means the third Friday of July provided that if such day is not a Scheduled Trading Day the Rebalance Date shall be the next Scheduled Trading Day.
In the event that the scheduled Rebalance Date is a Disrupted Day, the Rebalance Date for such rebalancing will be the next Scheduled Trading Day which is not a Disrupted Day.

CALCULATION METHOD

On the Reference Date, the number of shares of each stock will be determined so that every stock is equally weighted. This number of shares will be effective from the immediately following Rebalance Date.

From that moment till the following Rebalance Date, the number of shares will be fixed and constituent weights will vary according to price changes (see Paragraph 6, “Adjustments for Corporate Actions”, for details on possible share changes).

CALCULATION FREQUENCY

The Index is calculated and published daily, on a next day basis.

Calendar for the Index calculation is the TARGET calendar.

PRICES

The Index end-of-day calculations use official closing prices from the relevant exchanges of the constituent stocks. Such prices shall be converted into euro using the relevant GMT WM Reuters Currency cross rates.

INDEX CALCULATION ALGORITHM

The closing price of securities is converted into Euro and the index is then calculated using the algorithm described below.
The price index is calculated as follows:

$$I(P)_t = I(P)_{t-1} * \frac{\sum_{1}^{n} \left(P_{i,t} N_{i,t}\right)}{\sum_{1}^{n} P_{i,t-1,} N_{i,t}}$$

Where
- $I(P)_t$= price index on day t
- $P_{i,t}$ = official closing price in Euro for stock *i* on day *t*
- $N_{i,t}$ = *number of shares for stock i* on day *t*
- *n* = number of index constituents

The net total return index is calculated as follows:

$$I(TR)_t = I(TR)_{t-1} * \left(\frac{\sum_{1}^{i} P_{i,t} N_i + \sum_{1}^{n} D_{i,t} N_{i,t}}{\sum_{1}^{n} P_{i,t-1} * N_{,ti}} \right)$$

Where
- $I(TR)_t$= total return index on day t
- $P_{i,t}$ = official closing price in Euro for stock *i* on day *t*
- $D_{i,t}$= gross (net) dividend in Euro for stock i on the ex-dividend date *t*
- $N_{i,t}$ = *number of shares for stock i* on day *t*
- *n* = number of index constituents

Note:
The Official Closing Price shall be intended as the official closing price for the stock on the relevant Exchange. The price shall be in Euro or converted into Euro using the foreign exchange spot rate, as defined above.In case, the price of a stock is not available due to exchange holiday, previous day’s price is used for index calculations.

See Appendix B for Dividend Withholding Tax Rates used for the calculation of Net Dividends.

ADJUSTMENTS FOR CORPORATE ACTIONS

CORPORATE ACTION	ADJUSTMENT MADE TO INDEX	DIVISOR ADJUSTMENT
DIVIDENDS	Dividends are reinvested in the Index	Unchanged
SPECIAL DIVIDENDS / RETURN OF CAPITAL	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date. Cash from the special dividend is reinvested in the index	Yes
STOCK DIVIDENDS / BONUS ISSUES	No weight change. This event is characterized by a free distribution of new shares to existing shareholders on a pro rata basis. Market Prices and number of shares of securities are adjusted accordingly.	Unchanged
SHARE ISSUANCE OR REPURCHASE	None	Unchanged
SPIN-OFF	The price is adjusted to Price of the parent company minus price of the spun-off company/share exchange ratio. Index shares change so that the company's weight remains the same.	Unchanged
STOCK SPLIT / REVERSE SPLIT / CONSOLIDATIONS	Company shares are multiplied by and the price is divided by the split factor.	Unchanged
RIGHTS OFFERING	Price is adjusted to the price of parent company minus price of the rights offering/rights ratio. Index shares change so that the company's weight remains the same.	Unchanged
DELISTING, ACQUISITION OR ANY CORPORATE ACTION RESULTING IN THE DISPLACEMENT OF A STOCK	When a constituent company is acquired or merged or displaced for any other reason, its shares are removed from the index. The company will be replaced at the next rebalancing.	Yes

APPENDIX A: GLOBAL DEVELOPED MARKETS

GLOBAL DEVELOPED MARKETS
Australia
Austria
Belgium
Canada
Denmark
Finland
France
Germany
Greece
Hong Kong
Ireland
Israel
Italy
Japan
Netherlands
New Zealand
Norway
Portugal
Singapore
Spain
Sweden
Switzerland
United Kingdom
USA

APPENDIX B: DIVIDEND WITHHOLDING TAXES

COUNTRY NAME	COUNTRY ISO	TAXATION
Austria	AT	0.25
Australia	AU	0.3
Belgium	BE	0.25
Bermuda	BM	0
Brazil	BR	0
Canada	CA	0.25
Switzerland	CH	0.35
Chile	CL	0.1875
China	CN	0
Czech	CZ	0.15
Germany	DE	0.26375
Denmark	DK	0.28
Spain	ES	0.19
Finland	FI	0.28
France	FR	0.25
Great Britain	GB	0
Greece	GR	0.21
Hong Kong	HK	0
Hungary	HU	0
Indonesia	ID	0.2
Ireland	IE	0.2
India	IN	0
Iceland	IS	0.15
Italy	IT	0.27
Japan	JP	0.07
South Korea	KR	0.22
Luxembourg	LU	0.15
Mexico	MX	0
Netherlands	NL	0.15
Norway	NO	0.25
New Zealand	NZ	0.15
Philippines	PH	0.3
Poland	PL	0.19
Portugal	PT	0.215
Russia	RU	0.15
Sweden	SE	0.3
Singapore	SG	0
Thailand	TH	0.1
Taiwan	TW	0.2
USA	US	0.3
South Africa	ZA	0

APPENDIX C: DEFINITIONS

Index Constituent or **Constituent**
Any security comprised in the index, provided that on any Reference Date and in the relevant Rebalance Period, Constituent shall include any stock which will be included in the index as of the next Rebalance Date at the end of such Rebalance Period.

Rebalance Period
It is the timeframe between Reference Date and Rebalance Date.

Exchange and **Related Exchange**
Each exchange on which any Index Constituent is, in the determination of ECPI, principally traded.

Scheduled Trading Day
Any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading session.

Disrupted Day
Any Scheduled Trading Day on which: (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session; or (ii) a Market Disruption Event has occurred.

Market Disruption Event
The occurrence, in respect of the Index Constituent of:

- a Trading Disruption
- an Exchange Disruption
- an Early Closure

where the aggregate of all Index Constituents in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs, comprises 20 per cent or more of the aggregate number of all Index Constituents for which the Exchange and Related Exchange were scheduled to be open for trading for its regular trading session on such day.

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 and Related Exchange or otherwise.

Exchange Disruption
Any event that disrupts or impairs (as determined by the ECPI) the ability of market participants in general (i) to effect transaction in, or obtain market values for the Index Constituents.

Early Closure
The closure on any Exchange Business Day of the Relevant Exchange or any Related Exchange prior to its Scheduled Closing Time.

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