

Measures for the Implementation of Change of Index Methodologies of China Securities Index Company Limited

V3.0

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Version Number	Change Time	Change Scope
1.0	201809	Rulemaking
2.0	202003	Adjustment to the definition of important indexes and implementation schedule of change of index methodologies
2.1	202009	Adjustment to the expressions on index review
3.0	202304	Adjustment to the expressions on important indexes and implementation schedule of change of index methodologies

Chapter I General Provisions

Article 1 These Measures are set forth to regulate procedures for the change to index methodologies of China Securities Index Company Limited (the “Company”). These Measures apply to the indexes managed by the Company, including but not limited to the equity indexes, bond indexes, and multi-asset indexes.

Article 2 The index rules referred to in these Measures include:

(1) Regulations and policy of index management, which is the relevant internal policy applicable to index management, including but not limited to the Primary Policy of Index Management and the regulations and policy to which it refers;

(2) General index rules, including but not limited to the review rules of index constituents, event rules, share rules (including free float), index calculation rules;

(3) Index methodology, which is the methodology applicable to an index or index series.

Chapter II Circumstance for Change

Article 3 The circumstances of which change of index methodologies

may be needed include but are not limited to:

- (1) The index methodologies cannot adapt to the development and change of the market;
- (2) The index methodologies cannot be matched with index positioning;
- (3) The index positioning is planned to change;
- (4) Index Advisory Committee, the customizing parties of indexes, and the users of indexes propose changes to index methodologies;
- (5) The index methodologies conflict with relevant laws and regulations or regulatory requirements;
- (6) Special circumstances are identified by the Company.

Article 4 The Company reviews the index methodologies regularly every year, among which:

- (1) The regulations and policy of index management are reviewed by the department that formulated them, and a review report is formed and submitted to the Index Oversight Committee;
- (2) General index rules and index methodologies are reviewed by the handling department, and a review report is formed and submitted to the Index Oversight Committee.

Article 5 In addition to regular review, when potential change of methodologies is spotted by a department through examining the market

environment, listening to the recommendations of the Index Advisory Committee, receiving market feedback and external complaints, and other channels, the department shall submit proposals for change of methodologies to the handling department as soon as possible.

Article 6 The handling department evaluates the necessity and timing of the change of the index methodologies and puts forward proposals of change in due course.

Chapter III Major Changes and Soliciting Market Opinions

Article 7 The major changes only involve the changes of index methodologies or general index rules, specifically:

- (1) Substantive change of index constituent space, such as the intersection of new and old constituent universe is lower than 70%;
- (2) Substantive change of index sampling measures, such as the intersection of new and old constituents is lower than 70%;
- (3) Substantive change of the index weighting method, such as the method of capitalization-weighted is changed to non-capitalization-weighted method, or vice versa;
- (4) Substantive change of general index rules, such as the date of the regular adjustment, the definition of free float, the situation of divisor

adjustment or the formula is changed;

(5) Other circumstances that the Index Oversight Committee considers to be major changes.

If the definition of the above major changes is intended to change, the consent of the Index Oversight Committee should be sought in advance.

Article 8 If the amendments of the index methodologies involve major changes, the Company shall solicit market opinions in advance. Soliciting opinions includes public consultation and targeted consultation.

For public consultation, the content, timetable and feedback method of soliciting opinion shall be announced on the Company's official website. The opinion soliciting duration shall not exceed three months in principle. The contents of the public consultation shall be reviewed by the Company's officer in charge of the relevant department and the general manager before disclosure.

For targeted consultation, the opinions shall be sought from stakeholders in written form such as e-mail, fax, etc. The consultation duration shall not exceed one month in principle. Stakeholders include relevant product managers who use the index as the investment target or benchmark and the customizing parties of indexes. If there are no stakeholders, the amendment process eliminates the soliciting opinion procedures.

If this article intends to change, the consent of the Index Oversight Committee should be sought in advance.

Article 9 Major changes to Class I indexes are in principle in the form of public consultation.

In special cases identified by the Company, with the consent of the Index Oversight Committee, targeted consultation may be used, but the scope of the opinion soliciting shall be in accordance with the actual impact of the index.

Article 10 Major changes to non-Class I indexes shall in principle take the form of targeted solicitation.

Article 11 When soliciting opinions, the Company shall inform the background of the amendment, the contents of the amendment proposal, the schedule for soliciting opinions, and the proposed implementation schedule. The contents of the soliciting opinions include amendment proposal and implementation schedule.

Article 12 After the solicitation of opinions, the handling department shall form a summary of feedback and analysis, which shall be submitted to the Company's officer in charge of the relevant department and the

general manager in turn for review, and shall be reported to the Index Oversight Committee.

For public consultation, the summary of feedback and analysis shall be disclosed through the Company's official website together with the relevant amendment announcement.

For targeted consultation, the summary of feedback and analysis shall be disclosed to the stakeholders at the same time when the relevant amendment announcement is released (unless the individual solicitor requires its opinions to be kept confidential).

If this article intends to change, the consent of the Index Oversight Committee should be sought in advance.

Chapter IV Procedures of Methodologies Amendment

Article 13 Unless specified in other chapters of these Measures, the amendment process of the regulations and policy of index management shall be subject to the relevant regulations and policy. This chapter applies to the amendment process of the general index rules and the index methodologies.

Article 14 In accordance with Measures for the Implementation of Index Projects Review of China Securities Index Company Limited, the

handling departments shall submit proposals of change of index methodologies to the Index Review Working Committee. The contents of the proposal shall include: the background of changes, the content of changes, the impact of changes on the market or products, the content and timetable for soliciting opinions on major changes (if any), and the timetable for the implementation of changes.

Article 15 After collecting feedback, the handling department shall form a summary according to the consultation opinions and make corresponding improvements to the proposal, then submit it to the Index Review Working Committee.

Article 16 After the amendment proposals reviewed by the handling departments and the Index Review Working Committee, it will be submitted to the Company's officer in charge of the relevant department and the general manager for approval in turn.

For major changes of Class I indexes, the amendment proposal is reviewed by the handling departments and the Index Review Working Committee and deliberated by the Index Advisory Committee, and then submitted to the Company's officer in charge of the relevant department and the general manager for approval in turn.

After the handling department completes the above process, it will

report the amendment proposal to the Index Oversight Committee.

Article 17 The amendment to the index methodologies must be announced on the Company's official website at least one trading day before the formal implementation, depending on the index classification. The announcement content includes the background, content and implementation schedule of the amendments to the index methodologies. In special circumstances identified by the Company, amendments can be implemented immediately after the announcement with the consent of the Index Oversight Committee.

Article 18 Under the premise of complying with Article 17, the amendment of the index methodology can be carried out together with the regular constituent adjustment or regular weight rebalancing of the indexes.

Article 19 Changes of index name shall be implemented in accordance with these Measures.

Chapter V Recording and Archiving

Article 20 Records of the amendments include but are not limited to: content of the changes, the impact of the changes, the Company's internal

approvers, whether the amendment has been reviewed by the Index Advisory Committee and been announced, and its enter-into-force time; as for amendments to the index methodologies or general index rules, the records also include: whether major changes are involved, whether Class I indexes are involved, the method and scope of opinion soliciting, the main market feedback and the Company's response.

Article 21 The handling department shall record the amendments of various index methodologies, forms and file a list, and submit the Report on Changes of Index Methodology to the Index Oversight Committee quarterly.

Chapter VI Supplementary Provisions

Article 22 The Executive Management Team shall be responsible for overseeing the implementation of these Measures. In the event that any non-compliance is found, the Executive Management Team shall have the power to punish the relevant persons according to the seriousness of the misbehavior.

Article 23 These Measures are subject to the interpretation of the Research and Development Department.

Article 24 These Measures or any revised version shall come into effect upon the examination and approval of the Executive Management Team.

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