< Index History >

Date	History
June 15, 1994	○ Launching the KOSPI 200
June 15, 2007	○ Adjusting how to weight free-float shares (First phase: “Half Float KOSPI 200”) - Removing 50% of restricted shares from calculation
December 14, 2007	○ Adjusting how to weight free-float shares (Second phase: “Full Float KOSPI 200”) - Removing all restricted shares from calculation
January 26, 2015	○ Introducing evaluation criteria on a spun-off company and its parent company for index inclusion in the case of spin-off (Previously, only parent companies remained) ○ Relaxing requirements for an exceptional addition of newly listed large-scale companies - A company is eligible for the index if its daily average market capitalization over the 15 trading days, down from 30 trading days, after listing is in the top 1% of the total market capitalization of the index ○ Introducing an exceptional addition of newly listed large-scale companies at the rebalancing - A company is eligible for the index if its daily average market capitalization ranked in the top fifty in the index, though its listing period is less than a year, as of a rebalancing date (Previously, the period had to be longer than a year)
June 9, 2017	**<Revision on constituent selection methods>** ○ Change of company classifications - (Before) Companies are classified into one of the eight sectors (one manufacturing and seven non-manufacturing sectors), based on the Korean Standard Industrial Classification - (After) Companies are classified into one of the nine sectors based on the Global Industry Classification Standard: energy, materials, industrials, customer discretionary, customer staples, health care, financials and real estate, information technology, communication services and utilities ○ Change of selection criteria from 70% to 80% by cumulative market capitalization in each sector ○ Adjusting how to select constituents when a company target

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	count in a given sector has not been reached - (Before) Constituents are selected from reserved issues in a given sector - (After) Constituents are selected from reserved issues in any sector
	<Relaxed requirements for an exceptional addition of newly listed large-scale companies> ○ A company is eligible for the index if its average daily market capitalization over the 15 trading days after listing ranked in the top 50 in the index (Previously, the average daily market capitalization had to be in the top 1% of the total market capitalization of the index)
	<Revision on how to apply a merger between constituents to the index> ○ Constituent replacement and addition of a post-acquisition combined company to the index take place on the day an acquired company is suspended from trading (Previously, a combined company was added on its listing day)
	<Relaxed requirements for addition of a spun-off company in the case of a constituent's spin-off> ○ A spun-off company is eligible for the index if it ranked in the top 80% by market capitalization in the index (Previously, a spun-off company had to be in 70% of cumulative market capitalization and its market capitalization had to be bigger than that of the highest-priority reserved issue in a given sector, or its market capitalization had to be bigger than that of a constituent with the 100th largest market capitalization in the index)
October 31, 2018	○ Dividing the IT/Communication Service sector into two separate sectors; resulting in the index having a total of ten sectors, up from nine sectors
June 14, 2019	○ Introducing a weight cap of 30%
December 11, 2019	**<Revision on constituent selection criteria>** ○ Change of selection criteria from 80% to 85% by cumulative market capitalization in each sector
	<Shorter rebalancing cycle> ○ Conducting rebalancing twice a year (in June and

Date	History
	December), up from once a year (in June)
April 27, 2020	○ Repealing a weight cap of 30%
December 21, 2023	**< Change of eligible securities >** - (Before) Common stocks listed on the KRX KOSPI market - (After) Constituents of KOSPI
November 1, 2024	**< Tightening the provision concerning "exceptional addition of newly listed companies">** ○ Introduction of new constituent selection criteria involving float-adjusted market capitalization ○ Revision on the provision concerning "exceptional addition of large-cap stocks"
November 2, 2026	**<Revision on constituent selection methods>** ○ Change of company classifications - (Before) Companies are classified into one of the ten sectors based on the Global Industry Classification Standard - (After) Companies are classified into one of the nine sectors based on the KRX Industry Classification Standard **<Repealing the Reserved Issues Scheme>**

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1. Overview

1.1 The KOSPI 200 Index Methodology (hereinafter referred to as the "Guide") describes requirements for calculation and management of the KOSPI 200 Index administered by the Korea Exchange (hereinafter referred to as "KRX").

1.2 The Guide is to be read in conjunction with the Basic Methodology for KRX Indices.

1.3 First introduced in June 1994 to represent the KOSPI market, the KOSPI 200 Index is currently used as an underlying index for various financial instruments such as, but not limited to, futures, options, and ETFs. In order for the index to accurately reflect the KOSPI market, the Guide defines constituent selection criteria and how to calculate the index level, considering index representativeness, liquidity, and marketability.

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2. Management Responsibility

2.1 (Administrator) As an index administrator, KRX takes responsibility for the calculation, administration, and management of the KOSPI 200 Index including:

- Inclusion and removal of constituents;
- Any change in constituent weights in accordance with the corresponding methodology;
- Periodic review of indices and application of any resulting change; and
- Distribution of index values.

2.2 (Periodic review of methodology) KRX periodically reviews the Guide to make sure that the methodology is in line with the index

objective while meeting the needs of stakeholders. Such review is examined by the Index Committee.

3. Methodology Change and Exceptions

3.1 Any material changes to the Guide are confirmed after the Index Committee's review. In the process, various comment from stakeholders and subscribers are given due consideration. Material changes include the followings:

- Changes in the index concept or objective;
- Revision of the Guide that may result in material rebalancing; and
- Revision of the Guide that may influence the index's properties including return rates and volatility.

3.2 When a corporate action or event not defined in the Guide is to be applied to the index or when an action or event is to be applied to the index differently from the Guide, the Index Committee or Index Management Committee reviews the case before confirmation. If necessary, comment is collected from external experts, market participants, and stakeholders and incorporated during such process.

4. KRX Index Policy and Guidelines

○ The Guide is to be read in conjunction with the following documents.

4.1 General information on equity index calculations

○ Refer to the Basic Methodology for KRX Indices.

4.2 Application of corporate actions and events to indices

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- Refer to the Corporate Actions and Events Methodology.

4.3 Index correction

- Refer to the Guidelines on Corrections to Indices.

4.4 Index cessation or transfer, or index calculation during market suspension or closure

- Refer to the Guidelines on Index Cessation.

4.5 Complaints on index calculation and management

- Refer to the Guidelines on Complaints.

4.6 Comments on index methodology

- Refer to the Guidelines on Public Comments.

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5. Expert Judgement

5.1 The Guide is designed to objectively present what is required to calculate and manage the KOSPI 200 Index and thereby avoid subjective and arbitrary judgements to the extent possible.

5.2 As KRX equity indices are automatically calculated and published based on prices formed in, and number of shares listed on, the KRX market, KRX does not make a separate Expert Judgement regarding input data. However, corporate actions, events or a unique and complicated circumstance not covered herein may arise between the screening base date and the rebalancing day.

5.3 In such case, KRX reviews constituent eligibility and seeks to address the issue through the Index Committee or the Index Management Committee. Comments from stakeholders may be

accepted, if necessary. In an urgent circumstance, the issue may be handled, to the extent possible, in accordance with Section 4 hereof.

5.4 For any exercise of Expert Judgement, background and details will be notified in advance via the KRX index website.

5.5 All the details of any exercise of Expert Judgement are permanently stored electronically.

6. Constituent Selection

6.1 Eligibility Securities

6.1.1 Eligible securities for the KOSPI 200 Index are the constituents of KOSPI as of the last trading day in the month before the previous month from rebalancings (hereinafter the "screening base date"), excluding :

- Companies on the KRX's watchlist or scheduled to be delisted;
- Companies investing in real estate, ship, or social infrastructure, and special purpose acquisition companies (SPACs); and
- Issues with free-float rate under 10%.

6.1.2 Companies that have been listed on the KOSPI market for less than six months (including those that became publicly listed by merging with a SPAC) are deemed ineligible for screening; however, company falling under any of the following cases may not be excluded :

- A company of which listing is transferred to the KOSPI market from the KOSDAQ market and combined period of listing on the two markets is more than six months; and
- A company added to the index prior to the screening base

date as a spun-off company in the case of a constituent's spin-off, or a constituent company as of the screening base date after being added to the index prior to the screening base date as an exceptional addition of a newly listed issue.

6.1.3 Other companies deemed unfit (companies described in 8.2 of the Basic Methodology for KRX Equity Indices or other unfit securities) may be subject to exclusion.

6.2 Company Classifications

○ Eligible securities are classified into one of the 9 Sectors below in accordance with the KRICS* as of the screening base date. However, if a cause for reclassification of a company arises between screening base date and Regular Rebalancing date, the company may be reclassified and the result of which may be applied to Regular Rebalancing.

* KRICS(KRX Industry Classification Standard)

1. Energy & Chemicals 2. Materials 3. Industrials
4. Mobility 5. Information Technology (IT) 6. Finance & Real Estate
7. Consumer Products 8. Healthcare 9. Media & Contents

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6.3 Screening

6.3.1 (Screening criteria) Screening for index inclusion is based on the average daily market capitalization and the average daily trading value of an eligible company.

6.3.2 (Screening period) Companies are screened over the six months preceding the screening base date. In such case, the one-month period spans from the first trading day to the last trading day of the applicable month.

○ In the case where a merger (excluding a small scale merger) or a spin-off takes place between the first trading day of the screening period and the rebalancing day, the screening period spans from the day of listing due to aforementioned merger/spin-off to the

screening base date.

- As for a company added to the index prior to the screening base date as an exceptional addition of a newly listed issue, the screening period spans from the day of listing to the screening base date.

- With respect to the stocks whose trading is resumed before the screening base date that arrives after being under long-term trading suspension following a listing maintenance review, the screening period shall be from the trading resumption day to the screening base date.

6.3.3 In the case where a merger (excluding a small scale merger) or a spin-off takes place, or trading of a stock is resumed after having long-term trading suspension following a listing maintenance review, between the first trading day of the screening period and the rebalancing day, average daily market capitalization and average daily trading value may be adjusted, if necessary.

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6.4 Constituent selection

6.4.1 (Step 1) In each sector, companies are selected based on securities market capitalization and trading value.

- Companies in each sector are selected in descending order of average daily market capital, until cumulative market capitalization reaches 85% of sector's total market capital.

- However, companies that does not rank within 85% of respective sector's eligible securities' daily trading value (liquidity basis) are excluded.

6.4.2 (Step 2) Companies selected in Step 1 go through the process listed below in the following order to be confirmed as a constituent.

- Current index constituents with average daily market capitalization ranking within 110% of current constituents in a given sector are not excluded in the index, if they meet the liquidity requirement.

- Non-constituents are newly selected for index inclusion if their average daily market capitalization ranking is within 90% of current constituents in a given sector. However, this does not apply if the number of existing constituents in the corresponding sector is less than 3.

6.4.3 (Step 3) Additional inclusion or deletion is made if the number of constituents is below or above 200 after Step 2 is completed.

- Below 200 : If the number of constituent selected is below 200, remaining companies that meet the liquidity requirement are selected regardless of sector classification in descending order of average daily market capitalization, until 200 stocks are included in the index.

- Above 200 : If the number of constituent selected exceeds 200, companies are deleted regardless of sector classification in ascending order of average daily market capitalization until 200 stocks are included in the index.

6.4.4 (Exceptional addition of large-cap stocks) Notwithstanding 6.2 – 6.4.3 above, the top 50 stocks by market capitalization among those meeting the criteria specified in 6.1 is subject to index inclusion considering sectoral balance and liquidity. In such case, the newly added company replaces a company with the smallest market capitalization among the selected companies. Here market capitalization refers to the average daily market capitalization over the 15 trading days preceding the screening base date.

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6.5 Reserved issues

- Reserved issues are not selected for the KOSPI 200.

7. Rebalancing

7.1 The KOSPI 200 is biannually reconstituted using the constituent selection criteria. Rebalancing takes place on the trading day following the last trading day of the June and December delivery month for KOSPI 200 futures contracts.

7.2 Selected companies are confirmed as constituents in May and November after the Index Committee's review, and published on the KRX index website (http://index.krx.co.kr).

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8. Other Maintenance

- A constituent involved in any of the following causes for Other Maintenance is excluded from or included to the index.

- When a constituent company to be removed remains suspended from trading on the 16th trading day after respective cause for disqualification has occurred, the other maintenance date where the company is removed will be on the 17th trading day.

- Such removal may take place on different schedule, if necessary, for example, for the convenience of index users.

8.1 (Disqualification) A constituent involved in any of the following causes for disqualification is removed from the index.

8.1.1 (Delisting) A constituent company is removed on the third trading day after it is determined to be delisted. If such delisting is due

to a merger, full stock exchange, or transfer, the stock is removed from the index on the day it is suspended from trading.

8.1.2 (Watchlist) A constituent company is removed on the third trading day after the company is put on the KRX's watchlist.

8.1.3 (Others) A constituent considered disqualified for reasons other than those above is removed on a day set by KRX.

8.2 (Exceptional addition of newly listed companies) A newly listed stock that is in the top 50 common shares in the KOSPI market by market capitalization is subject to index inclusion if the company's float-adjusted market capitalization exceeds the value which is market capitalization of top 50th listed company multiplied by 0.5. The company can be selected prior to rebalancing considering sectoral balance and liquidity. Here the market capitalization and float-adjusted market capitalization refer to the average daily market capitalization and average daily float-adjusted market capitalization (daily float-adjusted market capitalization defined by KRX considering factors such as mandatory stock holding period) over the 15 trading days following the listing day.

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Inclusion of the newly listed company takes place on the trading day following the last trading day of the nearest month KOSPI 200 futures contract that is the first to arrive after 15 trading days since the listing day.

Addition of newly listed companies or the date of its addition may differ from criteria listed above when it is found to have reasonable grounds.

8.3 (Merger and acquisition)

8.3.1 In the case of an acquisition where a constituent company is acquired by a non-constituent company:

- (When the acquirer is a listed company) The acquiree is replaced

by the Surviving Corporation on the day it is suspended from trading. When the acquirer resumes trading 30 trading days or more after suspension, the acquiree is replaced by the Surviving Corporation on the next trading day of the trade resumption.

- (When the acquirer is a non-listed company and scheduled to be listed) The acquiree is removed from the index on the day it is delisted, and the acquirer is added to the index on the next trading day of its listing.

8.3.2 In the case of an acquisition where a constituent company is acquired by another constituent company, the acquiree is excluded from the index on the day it is suspended from trading. To-be-issued shares of the acquirer are applied to the index in advance.

8.3.3 In the case of a merger between constituent companies, the constituent companies are removed from the index on the day they are suspended from trading, and a new merged company is selected for index inclusion on the next trading day of its listing.

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8.4 (Spin-off) In the case of a current constituent company's spin-off, a parent company may be removed from the index and a spun-off company may be selected for index inclusion, after screening.

8.4.1 (Parent company) A parent company is removed from the index when its market capitalization proportional to the spin-off ratio is smaller than that of the smallest constituent company in the index by market capitalization. Such removal takes place three trading days after the parent company resumes trading.

8.4.2 (Spun-off company) A spun-off company is added to the index when the ranking of its market capitalization proportional to the spin-off ratio is higher than market capitalization of the company ranking at top 80% of the constituent companies in the index. Such addition takes place on the trading day following the day of the spun-off company's listing.

8.4.3 The market capitalization of a parent or spun-off company refers to the company's average daily market capitalization over the 30 trading days starting from the 7th trading day preceding the trading suspension of the pre-spin-off parent company.

9. Calculations

9.1 Formula

- The formula to calculate the KOSPI 200 Index is as follows

$$\text{KOSPI 200} = \frac{\text{Current index market value}}{\text{Base index market value}} \times 100$$

where the multiplier is a base value of 100 and the base date is 3 January 1990.

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9.2 Free-float shares

- The KOSPI 200 is a float-adjusted market-cap weighted measure of its constituents. Please refer to the Basic Methodology for KRX Indices for more details.

9.3 Calculation time and interval

- The KOSPI 200 is calculated from 30 seconds after the start of trading on the exchange (exchange opening) to the end of trading on the exchange (exchange closing). When the closing price of any of the constituents is not confirmed by the exchange closing time, the calculation continues until all closing prices are confirmed.
- The KOSPI 200 is calculated every second.

10. Governance

10.1 Index Committee

- KRX has put in place the Index Committee to manage the KRX indices in an impartial and objective manner. The Committee, mostly consisting of experts from outside of KRX, reviews how benchmark indices are managed.

10.2 Index Management Committee

- KRX runs the Index Management Committee, consisting of KRX staff who have expertise in indices, to manage the KRX indices other than benchmark indices and to review the application of corporate actions and events to the indices.

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<Note> Index Distribution

- ○ KOSPI 200 Index values and constituent information are provided as paper or electronic copies via the KRX index website (http://index.krx.co.kr), its major vendors, and other media. The information is created in the KRX Information Distribution System and disseminated through various channels including securities networks and the File Transfer Protocol (FTP).
- ○ Users can subscribe to KRX index data products to receive detailed information of the index such as constituent companies' index calculation shares.
- ○ The index's Bloomberg ticker is as follows.

Index	Bloomberg Ticker
Korea Stock Exchange KOSPI 200	KOSPI2

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