

**The Measures of Index Error
Correction of Sino-Securities
Index Information Service
(Shanghai) Company Limited
V 1.0**

March 2022

Time if Revision	Version	Revision Notes
2022.03.	V1.0	Formulate the Measures of Index Error Correction

1. General Provisions

Article 1 In order to standardize the error correction process of Sino-Securities Index Information Service (Shanghai) Company Limited (hereinafter referred to as 'company'), these measures are formulated according to the existing calculation process and calculation system of the company.

Article 2 The measures are applicable to the stock indices and other related indices managed by the company.

2. Types of Index Error

Article 3 Types of Index error include but not limited to the followings: exchange data errors, company event errors or omissions, sample errors, shares numbers errors, calculation errors, publishing errors.

Article 4 Exchange data errors include single or multiple sample closing price errors or omissions, and overall market closing price errors.

Article 5 Company event errors or omissions include errors or omissions in the announcement of corporate actions such as allotment of shares, ex right, dividend distribution, and conversion of additional shares.

Article 6 Sample errors include: improper securities added in, weight errors, proper securities not added in samples.

Article 7 Shares numbers errors include: shares numbers data errors provided by suppliers, shares numbers and free float errors in data maintenance.

Article 8 Calculation errors include abnormal calculation of index on trading day, the use of inaccurate sample in calculation and the use of inaccurate shares number in calculation.

Article 9 Publishing errors include publishing interruption, publishing data errors and other circumstances.

3. Index Error Correction Process

Article 10 When the index calculation error is found, the vice director of index operations department shall be informed in time to confirm the cause of the error. The index operations department shall evaluate the index point deviation. After the calculation, the relevant treatment scheme shall be formed. The treatment scheme shall include the time of occurrence, error type, error deviation, error impact and handling suggestions.

Article 11 Index errors may need to be corrected under following circumstances:

- The daily average deviation of the index is more than 3‰;
- The daily average deviation of the index is less than 3‰, but not corrected in time would continue to affect the index's calculation, such as the sample error of the index;
- Other circumstances recognized by the company.

Article 12 When errors in unimportant indices are found, the treatment plan shall be drafted index management role and reported to vice director in index operations team. The treatment plan shall be implemented by vice director in index operations after being approved by general manager.

Article 13 When errors in important indices are found, the treatment plan shall be drafted by vice director in index operations team, approved by executive management tea and implemented by index operations team and IT department.

The "Important index" refers to index that tracks more than 10 billion yuan under management or tracked by exchange traded derivatives.

Article 14 In case any error in index calculation occurred that is caused by more complicated situations, it shall be reported to the executive management team in time, and executive management team shall decide the measures. Company managers, the Index Advisory Committee and the Index Oversight Committee shall be consulted if necessary.

Article 15 For important index calculation error correction, the index level shall be corrected within two trading days since the error is found; for unimportant index calculation error correction, the index closing price shall be

corrected within three trading days after receiving the correction information within effective time.

Article 16 For errors caused by company internal reasons, the real-time index level errors of the index or the errors occurred for more than 12 months shall not be handled in principle. If the Index Advisory Committee or the Index Oversight Committee suggest that it is necessary to correct after internal discussion, the executive management team shall decide how to deal with it.

Errors caused by external factors shall not be handled in principle if occurred more than 6 months. If users of relevant indices require modification, the errors shall be handled according to the final agreed scheme.

Article 17 With the decision to correct the calculation error of the index, it is necessary to formulate index amendment announcement. All affected indices shall be backdated and recalculated, all data files shall be republished and all relevant information providers and fund clients shall be informed.

Article 18 After the correction of above index error events, the experience and lessons shall be summarized in time, and recorded into the risk-event database by relevant responsible person or error handler.

4. Supplementary Provisions

Article 19 These Measures shall be revised and interpreted by the index operations department and reviewed at least once a year.

Article 20 These Measures or any revised version shall come into effect upon the examination and approval of the executive management team.

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