



# **CORRECTION POLICY**

**October 2019**

## **Important Information**

The general principles of the procedures for dealing with errors in input data or in the determination of any Index or Benchmark (the "**Correction Policy**") are set out herein.

This Correction Policy may be updated or amended from time to time and is communicated by LIXX in its role as Index Administrator. All information provided herein is for information purposes only and no warranty is given as to its completeness, fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by the Index Administrator for errors or omissions or for any losses arising from the use of this information.

The information presented herein has been prepared based on publicly available information, internally developed data or other third-party sources believed to be reliable. All opinions and views constitute judgments as of the date of the writing and are subject to change at any time without notice.

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## **INTRODUCTION**

LIXX administers Benchmarks and determines Indices and regularly acts as index administrator or index calculation agent in respect of such Indices and Benchmarks.

LIXX aims to the best of its ability to ensure the correctness of its index procedures and calculations. However, events may occur during the life of an Index or a Benchmark which can cause errors in both the application of the applicable index methodology as well as the execution of the Index value calculation. Therefore, LIXX has implemented standard procedures to deal with such events as described herein.

The processes described in this document apply to all indices and benchmarks calculated by LIXX.

Such processes are designed to preserve the economic reality that each Index and Benchmark is intended to achieve.

LIXX is under no statutory obligation to notify any third party, including investors and/or financial intermediaries, of any Index Errors.

## **1. INVESTIGATION OF INDEX ERRORS**

Upon becoming aware of a (potential) Index Error, a LIXX representative will first investigate the identified Index Error by validating the existence of the Index Error and its potential source. In this context LIXX will validate the existence of any mismatch between set rules and their execution.

Following such confirmation, LIXX may cross-validate information relevant for the calculation of the relevant Index or Benchmark (e.g. Corporate Action information) against an alternative (external) data source, such as another data provider or information published by the issuer of relevant index components, in each case where available and as appropriate.

## **2. CORRECTION OF INDEX ERRORS**

### **2.1 Backward looking**

Corrections are only applied by LIXX if the relevant Index Error occurred within the two Index Days after the event that caused the Index Error has occurred. Implementation will then occur during the following two Index Days.

### **2.2 Forward looking**

Index Errors will be corrected within two Index Days following the day on which LIXX became aware of the existence of such Index Error. In circumstances where the Index Error concerns the rebalancing process of the Index the correction may, depending on the individual circumstances, take more than two Index Days and in such cases LIXX is free to act.

## **3. REPORTING OF INDEX ERRORS**

Any Corrections are documented and where appropriate reported to the oversight committee.

## **4. PUBLICATION OF INDEX ERRORS**

Any Corrections in relation to an Index or a Benchmark will be communicated to clients via email or as agreed with the relevant client. Affected clients may also request a detailed report from LIXX in relation to any Correction and the relevant Index Error.

## **5. DEFINITIONS**

For the purpose of this document the following definitions shall apply. Capitalised references to the plural shall be construed as references to the singular as set out below.

"**Benchmark**" refers to a benchmark as defined in Art. 3 (1) (3) BMR administered by LIXX.

"**BMR**" refers to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on Indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

"**Corporate Action**" refers to a measure resulting in the adjustment of an Index between two rebalancing dates. Such measures influence the price, composition and weighting of the Index.

"**Correction**" refers to (i) the correction of an Index level, (ii) amendments to the rules of calculation of the affected Index or Benchmark, (iii) correction of the composition of the Index, (iv) correction of historic Index levels, variables or weightings, (v) restatement and re-publication of the affected Index or (vi) any other correction and implementation of error-resolving measures carried out by LIXX in relation to any Index or Benchmark following the occurrence of an Index Error.

"**Index Administrator**" refers to LIXX in relation to a Benchmark.

"**Index Day**" refers to any day on which the affected Index or its components are ordinarily traded.

"**Index Error**" refers to (i) any mismatch between set index rules and their actual application, (ii) events causing errors in the determination or calculation of any Index level, (iii) incorrect application of Index rules or Index methodology, e.g. in relation to any Corporate Action or rebalancing of any Index, (iv) errors or material inaccuracies in relation to information or data used to determine the Index level, such as incorrect pricing information, information derived from any Corporate Action, interest, rates, fees or taxes in respect of data underlying the Index, (v) any event causing errors in the rebalancing of an Index or Benchmark or (vi) any other event causing any error in relation to an Index or Benchmark, as determined by LIXX in its sole discretion.

"**Index**" refers to an index as defined in Art. 3 (1) (1) BMR determined by LIXX.

"**LIXX**" refers to LIXX GmbH, Bilker Allee 176c, 40217 Düsseldorf, Federal Republic of Germany.

**LIXX GmbH**

Bilker Allee 176c

40217 Düsseldorf

Federal Republic of Germany

Tel.: +49 (0) 211 78175180

Email: [info@lixinnovation.com](mailto:info@lixinnovation.com)

Website: [www.lixinnovation.com](http://www.lixinnovation.com)

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