



Swiss Exchange



# Ethos

Rules Governing the Ethos Swiss Corporate Governance Index

Summary version

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## 1 Index Structure

### 1.1 Securities Universe

The Ethos Swiss Corporate Governance Index (ESCGI) is based on the Swiss Performance Index SPI. Therefore, the ESCGI follows the SPI Rulebook for all matters not described in this document. The ESCGI Rules apply additional inclusion, exclusion or capping procedures as defined in the detailed rulebook, available for users of the index. Stocks in the Ethos Index are weighted by free-float market capitalisation. In addition, a cap factor determined by Ethos is applied in order to meet the Index objectives that are defined under section 1.2.

More information related to the SPI calculation and methodology can be found on the SIX website.

### 1.2 Ethos Index Objectives

Ethos' objective is to address some of the governance risks (by reducing them) which are generally not taken into account in most benchmarks. The ESCGI is reviewed annually to take into account changes that may have occurred in the governance structure of the companies of the base universe. Overweighting, underweighting have to be understood as in comparison with the base universe (SPI Index) and at the time of the annual review of the Ethos Final Factors. The index objectives intend to:

- Reduce the corporate governance risks by underweighting or excluding companies that do not apply best governance practices (according to Ethos' guidelines)
- Reduce the carbon impact of the index by underweighting companies with significant carbon emissions
- Avoid overweighting companies that are under a serious controversy (under Ethos' methodology)
- Avoid overweighting companies that have a weight above 15% in the base universe at the time of the annual review of the Ethos Final Factors
- Overweight companies that are not falling into one of the categories above.

### 1.3 Standardisation

The Ethos Index is standardized on close of 27 January 2017 with an initial value of 100.

### 1.4 Review of index concept

The validity of the index concepts and rules is reviewed on a regular basis. In exceptional cases a broad market consultation can be conducted by Ethos. The changes to the index rules are publicly announced with appropriate lead time (usually 3 months).

### 1.5 Termination of the index calculation

A decision to discontinue will be publicly announced by Ethos with appropriate lead time.

In case of existing financial products linked to the index, of which Ethos is aware, a market consultation is conducted in advance and a transition period is introduced before the definitive termination.

## 2 Index Calculation

This section is reserved for customers. Please contact Ethos for more information:

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Case Postale 1480

CH-1211 Genève 1

Email: [info@ethosfund.ch](mailto:info@ethosfund.ch)

Phone: +41 (0)22 716 15 55

## **3 Index Adjustments**

### **3.1 Ordinary adjustments**

#### **3.1.1 Index Review**

The review of the Ethos Final Factors is implemented annually on:

- The third Friday in September (after close of trading), simultaneously to the official implementation of the annual SPI Index review.

The announcement of the new components and capping factors occurs before market opening five trading days before the mentioned Friday – usually Monday.

#### **3.1.2 Corporate Actions and Dividends**

Corporate Actions and Dividends are adjusted as described in the SPI Rulebook.

### **3.2 Extraordinary adjustment of the Ethos Final Factor**

In order to meet the Index objectives defined under section 1.2, Ethos reserves the right in exceptional situation to amend the Ethos Final Factor of one or several constituent of the Index or of the base universe. Exceptional situation may include, among others but not limited to, mergers, spin offs, important change or announcement that may impact the Ethos Final Factor under the rules defined in the detailed rulebook, available for users of the index.

The calculation and announcement of the new Ethos Final Factors will generally take place five trading days, but no less than one trading day, prior to the implementation in the index.

When a new company added to the SPI Index is the result of a spin off from an existing ESCGI Index constituent, Ethos triggers an extraordinary adjustment and calculates a new Ethos Final Factor for the new component which reflects either a new assessment including a new initial Ethos Factor and the derived Ethos Final Factor or a neutral approach i.e. the same Ethos Final Factor as the one of the mother company. As a general rule, if a corporate action doesn't materially affect the corporate governance of the securities involved in the event, the required extraordinary adjustment targets a neutral impact on the Ethos Final Factors of the involved companies applied to all involved components so as to minimise the turnover of the ESCGI Index.

## 4 Organisation

### 4.1 Index Administrator

The Index is administered by Ethos. Ethos is responsible for the data sourcing and calculation of the Ethos Final Factors.

**Any requests with respect to the index administration may be directed to the following address:**

Ethos  
2, Place de Cornavin  
Case Postale 1480  
CH-1211 Genève 1

Email: [info@ethosfund.ch](mailto:info@ethosfund.ch)  
Phone: +41 (0)22 716 15 55

### 4.2 Calculation Agent

SIX Swiss Exchange is the Calculation Agent of the Ethos Index. SIX ensures the correct calculation on its systems according to market standards. Information concerning the indices of SIX Swiss Exchange (index adjustments, announcements etc.) is available at the following Internet address:

[http://www.six-swiss-exchange.com/indices/data\\_centre/customer/ethos\\_ch\\_corp\\_gov\\_en.html](http://www.six-swiss-exchange.com/indices/data_centre/customer/ethos_ch_corp_gov_en.html)

**Any requests with respect to calculation of the indices may be directed to the following address:**

SIX Swiss Exchange Ltd  
Selnaustrasse 30  
P.O. Box  
CH-8021 Zurich

Email: [indexsupport@six-group.com](mailto:indexsupport@six-group.com)  
Phone: +41(0)58 399 22 29

## 5 Static Data

<b>Name</b>	<b>Symbol</b>	<b>Valoren Nr.</b>	<b>ISIN</b>
Ethos Swiss Corporate Governance Index (Price)	ESCGIP	34238795	CH0342387955
Ethos Swiss Corporate Governance Index (Total Return)	ESCGIT	34238796	CH0342387963

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