



iTraxx Asia ex-Japan Index Rules

August 2019

1 Index Overview	3
1.1 iTraxx Asia ex-Japan Index	3
1.2 Administrator	3
1.3 Roll dates	4
1.4 Rule Revision	4
1.5 Maturity	4
1.6 Weighting	4
1.7 Relevant rating	5
2 Index roll process	6
2.1 General criteria	6
2.2 Creation of the iTraxx Asia ex-Japan Index Liquidity List	7
2.3 Creation of the Debt Issuer List	7
2.4 Creation of new iTraxx Asia ex-Japan Index Series	10
2.4.1 Roll Exclusions	10
2.4.2 Roll Inclusions	11
2.4.3 Market Sector Alignment	12
2.5 Publication of Provisional iTraxx Asia ex-Japan Index	13
2.6 Final Review of Constituent List	13
2.7 Publication of Annex	14
2.8 Reference Obligations	14
2.9 Changes to the Reference Obligations	14
2.10 Coupon Levels and Recovery Rates	15
3 Disclaimer	16
4 Further information	17

1 Index Overview

1.1 iTraxx Asia ex-Japan Index

IHS Markit Credit Indices are indices that track different segments of the debt markets (corporate, municipal and sovereign debt bonds and/or loans) across different regions (Europe, Asia, North America and Emerging Markets) and are referenced in various tradable products such as credit default swaps (“CDS”).

IHS Markit Credit Indices are made up of the most liquid entities in the relevant single-name CDS market. The indices roll on a semi-annual basis, and the composition of each new series (a new index) is established based on a transparent set of rules designed to ensure that the current series tracks the most liquid instruments in the relevant market.

The iTraxx Asia ex-Japan Index is composed of forty (40) liquid Asian (excluding Japanese) entities with primarily investment grade credit ratings that trade in the CDS market or have significant bond issuance.

The iTraxx Asia ex-Japan Index is a tradable index that allows market participants to take a view on the overall credit quality and direction of the underlying basket by trading one instrument.

All iTraxx Indices are owned, managed, compiled and published by Markit Indices GmbH a wholly owned subsidiary of IHS Markit Limited.

1.2 Administrator

IHS Markit is the administrator of the iTraxx Asia ex-Japan Index. The composition of this index is determined by the Administrator in accordance with the rules and methodologies set forth in this document (the “Rules”).

The Administrator has sole responsibility to interpret the Rules.

The Administrator shall make determinations and perform all actions regarding the indices pursuant to the Rules except as follows:

Upon the occurrence of an event that the Administrator determines materially impacts the integrity of one or more type of iTraxx Asia ex-Japan Index-related transactions, including but not limited to trading interruptions; market instability; and/or force majeure events, the Administrator, acting in a commercially reasonable manner, may at its sole discretion determine that it is appropriate to depart from the methodologies, timelines and/or procedures set forth in the Rules in order to obtain a result that preserves the economic intent of such iTraxx Asia ex-Japan Index. Where the best course of action is not clear IHS Markit will consult the Index Advisory Committee for guidance prior to making any such determination. The determined course of action will be documented, communicated to

all stakeholders and published on the IHS Markit website www.ihsmarkit.com under the *iTraxx News* page.

In the event that any critical input required in the construction of a new series of the index is not available, IHS Markit will confer with the Index Advisory Committee and publish the outcome of any material change as well as any decisions taken at IHS Markit's discretion that have led to a methodology change.

1.3 Roll dates

iTraxx Asia ex-Japan Index will begin on 20 March (or the business day immediately thereafter in the event that 20 March is not a business day) and 20 September (or the business day immediately thereafter in the event that 20 September is not a business day) of each calendar year (each such date, a "Roll Date").

Unless otherwise specified, all references to "business days" in this document mean days on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Hong Kong. All times referred to in this document, refer to local time in Hong Kong unless otherwise specified.

1.4 Rule Revision

The rules for the index are reviewed semi-annually prior to the index roll. Decisions made following an index rule review will be communicated to stakeholders via e-mail and published on the IHS Markit website. The publication will contain an overview and timelines for implementation of such rules changes.

1.5 Maturity

Each Index that has a Roll Date of 20 March shall be issued with the maturity date of 20 June occurring 5 years following the Roll Date.

Each Index that has a Roll Date of 20 September shall be issued with the maturity date of 20 December occurring 5 years following the Roll Date.

1.6 Weighting

Each constituent in the iTraxx Asia ex-Japan Index will have equal or approximately equal weightings. The weighting of each entity will be equal to (i) one divided by (ii) the number of entities in such index, expressed as a percentage with three decimal places (e.g., 2.500%). In the case where rounding is necessary to express the weightings in this manner, the entities shall be arranged in alphabetical order, with the weightings of the entities at the top of the list being rounded up to the nearest one-thousandth of a percent and the weightings of the entities at the bottom of the list being rounded down

to the nearest one-thousandth of a percent until the weightings of all entities have been rounded and the aggregate of the weightings equals exactly 100%.

1.7 Relevant rating

Determinations of constituents for the iTraxx Asia ex-Japan Index will be based, in part, on the “Relevant Rating” of each entity in consideration for inclusion or exclusion. For the purposes of these Rules, “Relevant Rating” means the highest rating of the following:

1. Higher of the Issuer Rating, Senior Unsecured Debt Rating, and Corporate Family Ratings for Moody’s;
2. Higher of the Long-term Issuer Credit Rating and Senior Unsecured Debt Rating for S&P; and
3. Higher of the Issuer Default Ratings and Senior Unsecured Debt Rating for Fitch.

Besides the treatment of unrated current constituents described in Section 2.1 below, all entities should have an investment grade Relevant Rating. Entities rated below BBB-/ Baa3 are excluded.

Rating changes that could affect the index membership are taken into account if IHS Markit is notified of such change prior to 5:00 pm London time on the last business day of the month prior to the month in which the roll date occurs.

2 Index roll process

As part of the Index Roll process, the Administrator will create the iTraxx Asia ex-Japan Index (as defined below) after each publication of the *6 Month Analysis Top 1,000 Single Names* report published by DTCC or any successor report thereto published by DTCC, or if such report is no longer available, successor report that measures liquidity within the CDS market (as applicable, the “DTCC Report”). The most recent iTraxx Asia ex-Japan Index Liquidity List and the criteria detailed in this document will be used to create the new series of the iTraxx Asia ex-Japan Index.

2.1 General criteria

The iTraxx Asia ex-Japan Index is composed of forty (40) liquid Asian (excluding Japanese) entities with primarily investment grade credit ratings that trade in the CDS market. To be eligible for inclusion in the iTraxx Asia ex-Japan Index, an entity on the iTraxx Asia ex-Japan Index Liquidity List must satisfy the following criteria (the “iTraxx Asia ex-Japan Index General Criteria”):

- For clarification, the Liquidity List used for membership determination will consist of the names from the DTCC 6 Month Analysis Top 1,000 Single Names report ranked according to trading activity. If less than 40 eligible Asia ex-Japan names are available from the DTCC list, the highest ranking entities in the Debt Issuer List will be selected until the index size of 40 entities is achieved.
- Entities must have issued or guaranteed an amount of outstanding publicly traded debt securities (which, for the avoidance of doubt, excludes loans, equities and privately placed debt securities) equal to or in excess of USD 150,000,000 with a maximum remaining maturity of 30 years, at close of business on the tenth Business Day preceding the Roll Date. For this determination debt issued by Special Purpose Vehicles created by an insurer or re-insurer for the sole purpose of issuing debt will also be taken into account. The total debt issued or guaranteed will be determined by the Administrator based on sources including, but not limited to, public filings and financial reports of the entity. For new issues of the relevant entities, the first settlement date of the issue will be used to determine whether the debt should be taken into account for the above determination.
- If any entity in the current Index is rated below investment grade it will be excluded from the new series as part of the creation of Liquidity List process below, however if an entity in the current index is no longer rated by Moody's, S&P or Fitch then providing the average CDS trading spread of such entity is within 200% of the median spread of the qualifying investment grade constituents of the forthcoming index, it will be eligible for the new iTraxx Asia ex-Japan Index Liquidity List.

For this determination the IHS Markit End of Day Composite CDS Spreads^[1] at the 5 Year tenor are used. The average spread over the last 10 Business Days of the month prior to the month in which the Roll Date occurs are calculated for each entity

^[1]Where credit default swap spreads are required to determine eligibility for inclusion, the “IHS Markit CDS End of Day” service will be used. IHS Markit receives contributed CDS data from market participant's official books of record. This data undergoes a rigorous cleaning process before being aggregated to form the “IHS Markit CDS End of Day” Composite

- Entities must not be guaranteed or controlled by (directly or indirectly) or guarantee or control (directly or indirectly) in either case, an “Affiliate”, that has a higher ranking on the Liquidity List and otherwise satisfies the relevant criteria as determined by the Administrator. “Control” of any entity means ownership of a majority of the voting power of that entity.

2.2 Creation of the iTraxx Asia ex-Japan Index Liquidity List

Using the average weekly trading activity measured in the then-current DTCC Report, the Administrator will create a list by:

- Determining all entities for which the following criteria are satisfied:
 - > Entities must be incorporated in Asia (excluding Japan)
 - > Entities must satisfy the General Criteria
 - > Entities must demonstrate trading activity greater than zero during the last eight weeks preceding the last Friday of the month prior to month in which the Roll Date occurs, as measured in the DTCC Report.
 - > Entities must have an investment grade Relevant Rating as defined in Section 1.7. Entities with a Relevant Rating below BBB-/Baa3/BBB- (Fitch/Moody's/S&P) are excluded.
- Ranking those entities meeting the above criteria, from the most liquid to the least liquid, based on the notional market risk activity as listed in the relevant DTCC Report. To the extent that two or more entities are determined to be equally liquid based on the notional market risk activity, the Administrator shall rank such entities from the most liquid to the least liquid based on (i) the number of trades specified in the relevant DTCC Report, or (ii) if an equal number of trades are specified, in alphabetical order (such overall completed rankings, the “iTraxx Asia ex-Japan Index”, and such overall completed list, the “iTraxx Asia ex-Japan Index Liquidity List”).
- If the total number of eligible entities on the DTCC Report does not reach 40 entities, additional entities will be selected from the Debt Issuer List as described below.

2.3 Creation of the Debt Issuer List

The Debt Issuer List will be used in addition to the Liquidity List if the Liquidity List contains less than 40 eligible entities to be included in the iTraxx Asia ex-Japan Index.

The Administrator will create a list according to the following criteria:

- Entities must have an aggregate minimum of USD 1,000,000,000 outstanding (under the same ticker) and included in the *iBoxx USD Asia ex-Japan Investment Grade Index* (the “Selection Index”) as published in the Selection Index on the first business day of the relevant roll month. Furthermore:
 - > entities with aggregate debt outstanding of less than USD 2,000,000,000 but greater than or equal to USD 1,000,000,000 must also have debt issued in the last 24 months;
 - > for this determination all publicly traded debt at all tiers, including senior and subordinated, secured and unsecured will be included in the Selection Index;

- > loans, debt guaranteed (but not issued) by the entity, convertibles and privately placed debt securities will be excluded;
- > debt issued via Loan Participation Note (LPN) programs will be excluded.
- Entities must have a minimum rating of at least BBB as per the *iBoxx Rating Methodology*.
- Entities must not be guaranteed or controlled by (directly or indirectly) or guarantee or control (directly or indirectly) in either case, an “Affiliate”, that has a higher ranking on the Liquidity List or Debt Issuer List and otherwise satisfies the relevant criteria as determined by the Administrator. “Control” of any entity means ownership of a majority of the voting power of that entity.
- Entities must not appear on the DTCC Report in order to be candidates for the Debt Issuer List, though affiliates of entities on the DTCC Report are eligible for the Debt Issuer List as long as existing rules concerning affiliates within the iTraxx Asia ex-Japan Index are met.

Ranking of the Debt Issuer List

Once the list is created as set out under the “Creation of the Debt Issuer List” above, the list will be ranked by ticker according to the below process:

Step 1: Ranking based on issuance size

Assign a rank to each of the entities in ascending order of the amount of debt included in the Selection Index. For avoidance of doubt, the entity with the lowest debt outstanding will be ranked 1.

Step 2: Ranking based on number of bonds issued

Assign a rank to each of the entities in ascending order by the number of bonds included in the Selection index. For avoidance of doubt, the entity with the least number of bonds outstanding will be ranked 1.

Step 3: Debt Issuer List Score

Generate a Debt Issuer List Score for each entity by adding the ranks generated in Steps 1 and 2 for each entity.

Step 4: Debt Issuer List Ranking

Assign a rank to each entity in descending order of the Debt Issuer List Scores generated in Step 3. For avoidance of doubt, the entity with the highest Debt Issuer List Score will be ranked 1.

To the extent that two or more entities are determined to have the exact same Debt Issuer List Score, the Administrator shall rank such entities by (i) the total amount of senior unsecured debt included in the Selection Index for all eligible entities under the relevant ticker and if still two or more names are equally ranked, by (ii) the most recent senior unsecured issuance included in the Selection Index from all eligible entities under the relevant ticker.

Selecting an Entity within a Ticker

- For the purposes of the Debt Issuer List, entities will be considered Eligible if one or more of the following criteria is satisfied:
 - > the entity has an Investment Grade Relevant Rating;
 - > is Unrated and at least one bond issued by the entity included in the Selection Index is rated Investment Grade by at least one of S&P, Moody's or Fitch (entities which are Unrated and only have Unrated debt outstanding will not be Eligible);
- If multiple entities have bonds included in the Selection Index under the same ticker, the entity that is a candidate for inclusion in the Debt Issuer List is the one which has the largest amount of Senior Unsecured debt included in the Selection Index.
- If none of the entities under the same ticker have Senior Unsecured debt included in the Selection Index then entities with Senior Secured debt included will be considered.
- Where there is only one entity under the relevant ticker and this entity has only Senior Secured debt included in the Selection Index, this entity will be selected for the Debt Issuer List.
- If there are multiple Eligible entities under the relevant ticker and all of these entities have only Senior Secured debt included in the Selection Index, the Administrator will endeavor to select the Eligible entity which has the largest amount of lower ranking Senior Secured debt included in the Selection Index for the Debt Issuer List.
 - > The Administrator may use bond and/or entity ratings and consult with IHS Markit RED in order to achieve this.
 - > If the Administrator believes that the Senior Secured debt included for these entities is of equal ranking, then the Eligible entity with the largest amount of Senior Secured debt included in the Selection Index will be selected.
- For the purposes of choosing an entity within a ticker:
 - > Only bonds with maturities of 30 years or below from the new index start date will be considered when determine outstanding amounts.
 - > PIK notes and convertibles will not be considered. (To clarify - PIK notes are considered when determining New Debt Issuance.)

Debt Tier Classification

The below criterion is used to establish the Debt Tier classification of a bond for determining eligibility of the issuing entity for the Debt Issuer List, as follows:

- The bond will be classified as Senior Unsecured if any of the below criteria are satisfied:
 - > The bond's rating from Moody's is equal to the Moody's Senior Unsecured or Moody's Senior Subordinate Debt Rating.
 - > The bond rating from S&P is equal to the S&P Senior Unsecured or S&P Senior Subordinate Debt Rating.
 - > The bond rating from Fitch is equal to the Fitch Senior Unsecured or Fitch Senior Subordinate Debt Rating.
- The bond will be classified as Senior Secured if any of the below criteria are satisfied:
 - > The bond's rating from Moody's is equal to the Moody's Senior Secured Debt Rating.
 - > The bond rating from S&P is equal to the S&P Senior Secured Debt Rating.

- > The bond rating from Fitch is equal to the Fitch Senior Secured Debt Rating.
- If the above tests are inconclusive, then the IHS Markit RED Tier classification (if available) is used. Bonds with a Subordinated IHS Markit RED Tier classification will be ranked as Senior Unsecured.
- If the above tests are inconclusive and the IHS Markit RED Tier classification is unavailable, then the bond is considered to be Senior Unsecured.

2.4 Creation of new iTraxx Asia ex-Japan Index Series

At the time of an index roll, the index composition is initially set to be the same as the previous series, the Administrator will then identify entities which match the Roll Exclusion criteria below and remove them from the existing index. The Administrator will then add new and replacement entities by applying the Roll Inclusion criteria to create the new index. The inclusion and exclusion processes are as described below.

2.4.1 Roll Exclusions

No later than eight (8) Business Days prior to a Roll Date, the Administrator will create list of entities in the current index that no longer satisfy the General Criteria set forth above or match the exclusion criteria set forth below:

Corporate Events

The Administrator may determine, at its sole discretion and based on publicly available information, that a corporate event has occurred or been announced in relation to any current constituent that renders such current constituent unsuitable for inclusion. For purposes of this paragraph,

- (i) "Corporate Events" include mergers, acquisitions or other similar events and
- (ii) "Publicly available information" includes, but is not limited to, information from public filings, financial reports, or information published in the main sources of business news in the country in which the corporate entity is organized and any other internationally recognized published or electronically displayed news services.

Credit Events

The Administrator may determine at its sole discretion that a current constituent is no longer suitable for inclusion in the Index if one of the following occurs on or after the previous Index Roll Date with respect to any current constituent:

- (i) a notice is published on the ISDA Credit Derivatives Determinations Committee web page (<http://dc.isda.org/>, or any successor webpage thereto) announcing that a request relating to a potential Credit Event (as defined in the Credit Definitions) in respect of such current constituent has been accepted by the relevant Credit Derivatives Determinations Committee (as defined in the Credit Definitions, the "DC"); provided that as of 5:00 p.m. Hong Kong time on the first business day following the day on which the relevant DC is required to convene to consider such request under

the DC rules (such timeline to be determined without regard to any ability of the DC to amend the published timetables set forth in the DC rules immediately prior to such request), a DC No Credit Event Announcement (as defined in the Credit Definitions) has not occurred and no announcement to the effect that such request has been dismissed, withdrawn, or rejected by the relevant DC has been published on such web page; or

(ii) a DC Credit Event Announcement (as defined in the Credit Definitions) occurs with respect to such current entity. As set forth in these Rules, the Administrator may consider any information and make any determinations necessary under this Roll Exclusion to obtain a result that preserves the integrity of the Index.

Liquidity Based Exclusion

Existing entities in the current index will be excluded from the new index if they are either not part of the Liquidity List or if more than 50 entities are available on the Liquidity List, and they are ranked at #51 or lower.

Rating Based Exclusion

Any entity not achieving the relevant rating will be deemed no longer eligible, however if a constituent is no longer rated by any of the following Moody's, S&P or Fitch its exclusion will be judged according to the spread criteria outlined in the General Criteria section.

These entities will be replaced by the most liquid eligible new entities from the Liquidity List subject to the inclusion criteria set forth below. Current entities identified in accordance with the above are "Roll Exclusions."

2.4.2 Roll Inclusions

Using the Liquidity List the Administrator will identify entities that match the criteria below to create a list of entities that are not current constituents, that are not subject to any Roll Exclusion criteria above, and that satisfy the General Criteria:

Liquidity Based Inclusion

New entities ranked #20 or higher are included automatically if this inclusion causes the overall entity list to exceed 40, the least liquid entities from the overall 40 list will be excluded.

Roll Exclusion replacement

If an existing constituent has been excluded from the new index due to the Roll Exclusions above, the entity will be replaced by the most liquid new entity from the Liquidity List. In case the Liquidity List does not have an eligible entity for the Roll Exclusion replacement, the highest ranked eligible entity from the Debt Issuer List will be selected as the Roll Exclusion replacement entities.

The new entity must not be guaranteed or controlled by (directly or indirectly) or guarantee or control (directly or indirectly) in either case, an "Affiliate", that has a higher ranking on the iTraxx Asia ex-Japan Index Liquidity List and otherwise satisfies the relevant criteria as determined at the sole

discretion of the Administrator. Where the nature of a corporate action creates uncertainty as to which entity is higher ranking on the iTraxx Asia ex-Japan Index Liquidity List, the most liquid entity as per the trading activity over the last eight weeks preceding the last Friday of the month prior to the month in which the Roll Date occurs as measured in the DTCC Report will be selected. “Control” of any entity means ownership of a majority of the voting power of that entity

This process is repeated until all Roll Exclusions have been replaced and the index has 40 entities.

2.4.3 Market Sector Alignment

Once the iTraxx Asia ex-Japan index size of 40 has been achieved through the Roll Inclusions process described above, a Market-Sector alignment procedure will be applied. For this purpose, every combination of the below Markets and Sectors will be considered:

Market Sector Profile		SECTORS			
		Financials	Non-Financials	Real Estate	Sovereigns/Sub-sovereigns
MARKETS	China				
	Hong Kong				
	India				
	Indonesia				
	Macao				
	Malaysia				
	Philippines				
	Singapore				
	South Korea				
	Taiwan				
	Thailand				

The Target Market-Sector profile of the forthcoming iTraxx Asia ex-Japan Index will be determined using the Market-Sector distribution of the *iBoxx USD Asia ex-Japan Investment Grade Index* (the “Selection Index”) as published in the Selection Index on the first business day of the relevant roll month. The Target Market-Sector profile of the forthcoming iTraxx Asia ex-Japan Index will be the Market-Sector distribution of the Selection Index scaled to 40 constituents.

The Market-Sector alignment procedure is described as follows:

- (i) Determine number of entity additions and entity deletions in each Market-Sector of the new iTraxx Asia ex-Japan Index to achieve the Target Market-Sector profile.
- (ii) Remove the least liquid entity in the new iTraxx Asia ex-Japan Index that belongs to the most overweight Market-Sector that requires the largest number of entity deletions.

(iii) Add the highest-ranking eligible entity from the Liquidity List to the most underweight Market-Sector in the new iTraxx Asia ex-Japan Index that requires the largest number of entity additions. If no entity is eligible from the Liquidity List, pick the highest ranking eligible entity from the Debt Issuer List.

In the event that no eligible entities are available from the Liquidity List or the Debt Issuer List, the highest ranked eligible entity from the Liquidity List that is from the same Market but from a different Sector will be added. If no entity is eligible from the Liquidity List, pick the highest ranking eligible entity from the Debt Issuer List.

(iv) Repeat the process until *any* of the conditions below are achieved:

- Seven replacements have already been made in the index;
- Target Market-Sector profile for the forthcoming iTraxx Asia ex-Japan Index has been achieved;
- No further eligible entities are available from the Liquidity List or the Debt Issuer List.

2.5 Publication of Provisional iTraxx Asia ex-Japan Index

The list of entities resulting after the steps above (the “Provisional iTraxx Asia ex-Japan Index”) will be published on IHS Markit’s public website for comment no later than seven (7) Business Days prior to the Roll Date. The Administrator will review comments received and determine whether amendments are necessary. The Administrator welcomes public comment, but is not required to follow or otherwise address any comment received. The Administrator will publish the expected name changes (if any) on its public website as it determines such changes may be required. The comment period will end four (4) Business Days prior to the Roll Date. The draft and final annexes for the iTraxx Asia ex-Japan Index will be published as set forth in the 'Publication of Annex' section below.

2.6 Final Review of Constituent List

On any day prior to the date of publication of a final index annex, the Administrator may determine that any entity that is intended to be included in the relevant index fails any of the iTraxx Asia ex-Japan Index Criteria then such entity shall be excluded from the iTraxx Asia ex-Japan Index.

If the Administrator determines that any entity shall be excluded from the iTraxx Asia ex-Japan Index in accordance with the preceding paragraph, then the highest ranked entity in the iTraxx Asia ex-Japan Index Liquidity List that has not already been included in the iTraxx Asia ex-Japan Index, as applicable, shall be added to the new iTraxx Asia ex-Japan Index as a replacement entity. If no entity is eligible from the iTraxx Asia ex-Japan Liquidity List, the highest-ranking eligible entity will be selected from the Debt Issuer List.

- If the new entity cannot be selected from the iTraxx Asia ex-Japan Index Liquidity List or the Debt Issuer List, IHS Markit will request the iTraxx Asia ex-Japan Index market participants to submit additional entities for Inclusion to the iTraxx Asia ex-Japan Index Liquidity List.
- Additional entities for the iTraxx Asia ex-Japan Index Liquidity List will comprise of the additional entities market participants would like to include in the new series of the respective indices on the basis of trading volumes over the past 12 months. IHS Markit aggregates all votes from the

additional entities to be added to the iTraxx Asia ex-Japan Index Liquidity List. All entities in this list are ranked according to the trading volume in descending order.

- Entities are selected from the sorted additional Inclusion List for membership in the new series of the index and added to the iTraxx Asia ex-Japan Index Liquidity List until the total number of names in the iTraxx Asia ex-Japan Index Liquidity List is 40.

Where a determination with regard to constituent selection is made by the Administrator which involves discretion and/or expert judgment, IHS Markit may consult the Index Advisory Committee for guidance. Such determinations will be documented, communicated to stakeholders via e-mail and published on the IHS Markit website www.ihsmarkit.com under the *iTraxx News* page. Where similar determinations are made, precedents set by previous decisions will be considered across all CDS indices.

In the unlikely instance an inaccuracy is not caught and resolved prior to the publication of the final list, or if input data used in the constituent selection process is revised retrospectively, IHS Markit will review the impact on the affected indices. In order to determine whether to restate the final list or any index parameters, IHS Markit will consult with the Index Advisory Committee to determine the impact of such action.

If it is decided to update the Final List or any related parameters, the reason for such revision together with revised material will be published. In addition, IHS Markit will compile an incident report to summarize the incident, the root cause, and set forth remedial actions to avoid such an error in the future, where such remedial actions are applicable.

2.7 Publication of Annex

No later than three (3) Business Days prior to the Roll Date of a iTraxx Asia ex-Japan Index, the Administrator will publish a draft of the annex for such iTraxx Asia ex-Japan Index, along with the weighting and final reference obligations (if applicable) for each entity. The final annex for iTraxx Asia ex-Japan Index will be published after 5:00 p.m. Hong Kong Time on the Business Day immediately preceding the Roll Date of the Indices.

2.8 Reference Obligations

The reference obligations for the reference entities are obtained from IHS Markit Limited's Reference Entity Database (RED) in conjunction with input from iTraxx Asia ex-Japan Index market participants.

2.9 Changes to the Reference Obligations

In the event that IHS Markit receives requests from three or more market participants that the reference obligation of an entity should be replaced, IHS Markit will identify one new reference obligation for such entity, based on RED and on input from iTraxx market participants. A poll is then initiated by IHS Markit. If a majority of the market participants participating in the poll agrees that such replacement should be made, a new annex will be published by IHS Markit, which will be identical to

the previous annex, save for the fact that the reference obligation for such entity will be as agreed in the poll.

2.10 Coupon Levels and Recovery Rates

On the second business day preceding the roll date, a telephone poll is initiated by IHS Markit to determine the coupons and recovery rates for each index. Coupon levels are rounded to the nearest 5 basis points and recovery levels to the nearest 5%.

3 Disclaimer

The Administrator does not undertake any duty of care and will not be liable to any party to a transaction referencing the iTraxx Asia ex-Japan Index for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with the Administrator's performance of its duties under the Rules, except in the case of the Administrator's gross negligence, fraud or willful misconduct.

4 Further information

Contractual and content issues

For contractual or content issues please contact:

Markit Indices GmbH
Friedrich-Ebert-Anlage 35-37
60327 Frankfurt am Main
Germany
E-mail: indices@ihsmarkit.com
Web:
<https://ihsmarkit.com/products/markit-ittraxx.html>
<https://ihsmarkit.com/products/markit-cdx.html>

Technical issues and client support

For technical issues and client support please contact:

E-mail:	indices@ihsmarkit.com		
Phone:	Asia Pacific	Japan:	+81 3 6402 0127
		Singapore:	+65 6922 4210
	Europe	General:	+800 6275 4800
		UK:	+44 20 7260 2111
	USA	General:	+1 877 762 7548

Formal complaints

Formal complaints can be sent electronically to our dedicated email address
complaints_indices@markit.com.

For any general index inquiries, please contact the Indices support group at indices@ihsmarkit.com.

Licences and data

iTraxx/CDX is a registered trademark of Markit Indices GmbH. Markit Indices GmbH owns all iTraxx/CDX data, database rights, indices and all intellectual property rights therein. A licence is required from Markit Indices GmbH to create and/or distribute any product that uses, is based upon or refers to any iTraxx/CDX index or data.

Ownership

Markit Indices GmbH is a wholly-owned subsidiary of IHS Markit Limited.

Content modified: 2019-08-05T12:28:20.000+02:00

The information in this document is provided "as is." IHS Markit and its affiliates make no warranty, expressed or implied, including, without limitation, any warranties as of merchantability, fitness for a particular purpose, accuracy, completeness or timeliness, or as to the results to be obtained by recipients of the products and services described herein, and shall not in any way be liable for any inaccuracies, errors or omissions herein. IHS Markit products are governed by the terms and conditions of the agreements under which they are provided. Copyright © 2019, IHS Markit. All rights reserved. Any unauthorised use, disclosure, reproduction or dissemination, in full or in part, in any media or by any means, without the prior written permission of IHS Markit is strictly prohibited.