Benchmark Methodology Key Element

Global Custom Basket Family

Version 1: March 18, 2024
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Change Log

Date	Ver.	Section	Change
March 18, 2024	1.0		Initial Version approved by the BMR Oversight Committee

Benchmark Methodology Key Elements for Publication For Global Custom Basket Family	
Key Elements	
Name of benchmark/family of benchmark:	The name of this Benchmark Family is Custom Basket Family Global. Nasdaq Copenhagen A/S, (hereafter "the Benchmark Administrator") keeps the list of the Benchmarks provided from time to time in this Family of Benchmarks in the Benchmark Inventory.
Description of benchmark:	The Benchmark is a tailor-made Custom Basket created on the request from a Customer i.e. a Trading Member or Clearing Member of Nasdaq Derivatives Markets (Nasdaq Stockholm AB and Nasdaq Clearing AB) who has signed a Custom Basket Service Agreement with Nasdaq Stockholm AB. The Custom Basket consists of a number of Stocks chosen from a pre-defined list in the Universe of Stocks that are traded on regulated markets or Trading Venues in the defined, geographical area of the Benchmark Family. The Stocks in the Custom Baskets are weighted according to the request of the Customer and adjusted for Corporate Actions in accordance with the Benchmark Administrator's Custom Basket Calculation Methodology. Only Stocks and depositary receipts representing Stocks, can be included in the Custom Baskets. Countries and Stocks may be added to or deleted from the Universe of Stocks, either at the initiative of the Benchmark Administrator, Nasdaq Stockholm AB or based on a request from a Customer. Stocks may also be removed if they no longer fulfil the eligible criteria for inclusion. The addition or deletion of a country or Stock from the Universe of Stocks (based on the current eligible selection criteria) must be pre-approved by Nasdaq Risk Management and is subject to final approval by the Benchmark Administrator Head of Benchmark Business before becoming eligible. New Stocks added to the Universe cannot be included in any existing Benchmark but can only be considered as components to new Benchmarks. There cannot be any deletion of countries nor Stocks from the Universe of Stocks that is included in any Benchmark unless a review of the Universe of Stocks identifies that the Stock no longer fulfils the eligibility criteria; or in the case of force majeure; or a specific Corporate Action leads to de-listing of a Stock. Any change to the Stock selection criteria is subject to approval by the BMR Oversight Committee.
Market/Economic Reality:	A Benchmark/Custom Basket measures the weighted performance of certain, chosen component Stocks from the geographical region of any country included in the Universe of Stocks based on their price development adjusted for the Corporate Actions. The components of the Benchmarks in this Family of Benchmarks must be admitted to trading at a Trading Venue in the geographical region in the eligible countries listed in the Universe of Stocks.
Currency:	The Benchmark is calculated in SEK, NOK, DKK, EUR, USD or GBP according to the choice of the Customer. For the sake of clarity, a Benchmark can be calculated in a different currency than the ones its components trade in. Two or more Benchmarks, which only differ in respect of the calculation currency, will be considered different Benchmarks.
Source of input data:	Input Data used for calculating the Benchmark is Transaction Input Data, meaning traded Stock prices at the Trading Venue where the Stock is

	listed. The Latest Available Traded Price is used as Transaction Input Data. Input Data is sourced in from market data vendors; Refinitiv and Morningstar.
Input data guidelines	
Type of input data:	There are both regulated-data Benchmarks and non-regulated data Benchmarks in this Family of Benchmarks. The regulated-data Benchmarks in this family fulfil the definition in Art. 3(1)(24) of the BMR, i.e. certain Benchmarks in this Family are determined by the application of a formula from input data contributed entirely and directly from trading venues and/or regulated markets as defined in Art. 3(1)(24)(a)(i) of the BMR.
Priority of input data:	Prioritization of Input Data is not applicable: Only traded (transaction) prices are used as Input Data for determining the Benchmarks in this Family of Benchmarks.
Use of discretion:	There are no elements of the calculation for the Benchmark in relation to which discretion or expert judgment may be exercised. Expert judgment specifically and exclusively refers to the exercise of discretion with respect to the use of data in determining a course of action. Other areas of discretion, such as Methodology changes, are not, for the purposes of this document, considered expert judgment.
Contributors:	No Benchmark in this Family of Benchmarks is determined using contributed Input Data.
Contributor eligibility:	*N/A*
Constituents of the benchmark:	This document specifically covers Benchmarks for the geographical area of any country included in the Universe of Stocks. The Stock Universe covers the specific geographical area and is used as a criterion for which trading venues and Stocks that can be selected in the Benchmark creation. The Stocks in the Stock Universe are selected according to certain criteria like a minimum market cap and free float market cap, a minimum criterion for average daily traded value during the last 60 days and a minimum trading frequency the Stock traded for the last 60 trading days on an exchange. Morningstar share prices and FX rates are used for calculating Custom Basket levels published hourly from 8.00 a.m. CET up to and including 4.00 p.m. GMT during business days. Refinitiv share prices and WM/Refinitiv FX closing spot rates at 5.00 p.m. CET are used for calculating Custom Basket levels published hourly from 5.00 p.m. GMT up to and including 7.00 a.m. CET the following business day. Input data is adjusted for Corporate Actions listed in the Benchmark Administrator's Custom Basket Calculation Methodology. The adjustment follows the procedure set out in the Benchmark Administrator's Custom Basket Calculation Methodology. In case of Corporate Events, the issuers of component stocks sometimes specify the FX rate used in the terms of the Corporate Events. If this information is not available, the WM/Refinitiv FX closing spot rate is used instead in accordance with the common market practice.
Liquidity requirements:	The Benchmark Administrator considers sufficient liquidity and activity of the Trading Venue for each Stock as a prerequisite for the inclusion in the Universe of Stocks. The Stocks in the Stock Universe are selected

	according to certain criteria like a minimum market cap and free float market cap, a criterion for minimum average daily traded value during the last 60 days, a minimum trading frequency the Stock traded for the last 60 trading days on an exchange. The liquidity requirements are described in more detail in the Benchmark Administrator's Custom Basket Calculation Methodology.
Minimum requirements for the input data - quantity:	There is a minimum Input Data quantity requirement of minimum two stocks in a Benchmark. Minimum Input Data is the Latest Available Traded Price for each Stock in the Benchmark.
Minimum requirements for the input data - quality:	Only actual transaction data is used as Input Data for determination of the Benchmarks in this Family. The regulated-data Benchmarks are determined using Input Data entirely and directly from trading venues and regulated markets as defined in Article 3(1)(24) (i) of the BMR. The non-regulated data Benchmarks in this Family of Benchmarks use actual transaction data from trades on other trading venues and regulated markets than those specified in Article 3(1)(24)(i) of the BMR. The limit on how old the Latest Available Traded Price can be is 50 consecutive days. At such point, the Stock will be removed from the Benchmark at the Latest Available Traded Price. The Benchmark is not considered to constitute a new Benchmark after such a deletion. If a Benchmark only has two components before a Stock is removed from it, the Benchmark will be ceased.
Reinvestment of dividends:	The input data to this Family of Benchmarks, the Latest Available Traded Price of the Stocks in the Benchmark, takes into account and are adjusted for Corporate Actions including paid out dividends or coupons, which impact the Latest Available Traded Price.
Periodic amendments to the methodology	The Methodology is subject to regular review (at least once a year) by the Benchmark Administrator's BMR Oversight Committee which via its Governance and Control Framework and oversight of the Benchmark Administrator ensures that the Benchmark provision of this Benchmark Family continues to meet the regulatory requirements. There are no periodic reviews in the Methodology of the Benchmarks in addition to the statutory annual review. The Benchmark Administrator can propose ad hoc changes to the Methodology if and when it is deemed necessary. All proposed changes are subject to the approval by the Benchmark Administrator's BMR Oversight Committee. The Benchmark Administrator's Procedure for Changes to a Benchmark Methodology will be followed for Methodology changes and reviews. The Methodology changes aim at ensuring that the Custom Baskets Family of Benchmarks remains representative of its Market/Economic reality.
Material changes to the methodology	Examples of changes to the Methodology that can potentially be material are listed under section "Review and approval – specific triggers" of this document. Proposed material changes to the Methodology are subject to public consultation and the approval by the Benchmark Administrator's BMR Oversight Committee. The proposed material change, including details and the rationale behind the change and a specification of which key elements of the Methodology are affected by the proposed material change, will be

	announced on the Benchmark Administrator's [website and via Nasdaq Company New Services](link) along with details of how Benchmark users can comment on such change (including whether such comment should be confidential) and a clear timeframe for making such comments. The comments received together with the responses will be made publicly available through the same channels except where confidentiality has been requested by the originator of the comments.
	Approved and adopted material changes to the Methodology will be made publicly available in the Key Elements of the Methodology on the Benchmark Administrator's [website](link).
	The Benchmark Administrator follows the process for material changes set out in the Procedure for Changes to a Benchmark Methodology.
Potential limitations to the methodology:	The Latest Available Traded Price will always be used as the price for the Benchmark components including in exceptional circumstances, periods of market stress or insufficient, inaccurate or unreliable data sources.
	In serious and extended cases Nasdaq Derivatives Markets may decide to set an early expiration date for the Forwards referring the Benchmarks impacted and cease to provide such Benchmarks after the forwards have expired and settled. In protracted cases or when the Methodology is considered permanently inaccurate or unreliable, e.g. if Corporate Events used as adjustment factors are no longer relevant, the Benchmark Administrator will initiate a process for amending the Methodology. Another example could be a temporary closure of a Trading Venue; changes to currency convertability that may lead to transaction Input Data sources being insufficient; government, central bank or monetary authority-imposed restrictions on the repatriation of foreign capital the imposition of sanctions preventing new investment in a country; or a pandemic or natural catastrophe resulting in exceptional periods of stress.
Review & Approval	
Review and approval - general:	The Methodology and this document are subject to regular review (at least once a year) and subsequent approval by the Benchmark Administrator's BMR Oversight Committee which has the oversight of the Benchmark provision of this Family of Benchmarks.
Review and approval - policies:	The Methodology reviews are carried out in accordance with processes set out in the Benchmark Administrator's Governance Framework and Control Framework and Procedure for Changes to a Benchmark Methodology.
Review and approval - specific triggers:	The following specific events are non-exhaustive examples of events that may trigger an internal review of the Methodology:
	- Material changes to:
	• the Universe of Stocks,
	• the Trading Venues and the Stocks,
	• the Input Data, and
	• the calculation method, for example the handling of Corporate Actions.
	The reviews will be conducted according to the procedures in the Benchmark Administrator's Governance and Control Framework which govern that the Methodology.
Review and approval - structure:	The Methodology and this document are subject to approval and regular review (at least once a year) by the Benchmark Administrator's BMR Oversight Committee and Nasdaq Head of Benchmark Business. Via the Benchmark Administrator's Governance and Control Framework, and

	oversight of the Benchmark Administrator ensures that the Benchmark provision of the Benchmarks continues to meet the current and future requirements of the BMR.
Review and approval - roles:	The Methodology reviews are conducted by the Benchmark Administrator's Operational Manager and are subject to approval by the Benchmark Administrator's Head of Benchmark Business and finally the BMR Oversight Committee. A regular as well as an extraordinary review of the Methodology will be initiated and conducted by the Benchmark Administrator's Operational Manager. The Benchmark Owner, Nasdaq Stockholm AB, can also initiate an extraordinary review. Any review of the Methodology will be assessed by Nasdaq Copenhagen, the BMR Compliance Officer ensuring the Methodology content as well as the procedures for changing the Methodology are in compliance with the BMR and the Benchmark Administrator's Governance and Control Framework.
Review and approval - nomination procedure:	The Benchmark Administrator's BMR Oversight Committee members are appointed by the Board of Directors of Nasdaq Copenhagen. The Board of Directors may terminate membership from the Oversight Committee. The composition of the Oversight Committee is reviewed at least annually and else when needed. The composition is always assessed when the Benchmark Administrator launches or undertakes to provide a new Benchmark or Family of Benchmarks.
Role of third parties:	Nasdaq Copenhagen A/S, the Benchmark Administrator, has outsourced certain parts of the benchmark provision to IHS Markit now a part of S&P Global a company incorporated under the laws of England and Wales ("**Markit**") and to Nasdaq Stockholm AB. Markit conducts the input data retrieval, the benchmark calculation and dissemination. Nasdaq Stockholm AB conducts the Customers Benchmark requests and assessment of the requested Benchmarks' eligibility. There are no contributors involved in this Benchmark provision.
Benchmark model/method:	No models or methods of extrapolation is used with this Benchmark data. No rebalancing can happen.
ESG factors	The Custom Basket Family does not take into account ESG factors. An explanation on how the key elements of the Methodology reflect ESG factors for this Family of Benchmarks is listed in the Appendix 1 to this document. *https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1817*

APPENDIX 1

ANNEX

TEMPLATE FOR EXPLAINING HOW THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY REFLECT ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS - COMMISSION DELEGATED REGULATION (EU) 2020/1817

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY

Item 1. Name of the benchmark administrator.	Nasdaq Copenhagen A/S
Item 2. Type of benchmark or family of benchmarks. *Choose the relevant underlying asset from the list provided in Annex II to Commission Delegated Regulation (EU)2020/1816.*	Equity (ESG factors not applicable (N/A))
Item 3. Name of the benchmark or family of benchmarks.	Global Custom Basket Family
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	☐ Yes ☐ X No

Item 5. Where the response to Item 4 is positive, please list below, for each family of benchmarks, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816.
Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.
The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.

(a) List of environmental factors considered:	Selection, weighting or exclusion: N/A
(b) List of social factors considered:	Selection, weighting or exclusion: N/A
(c) List of governance factors considered:	Selection, weighting or exclusion: N/A

Item 6. Where the response to Item 4 is positive, please list below, for each benchmark, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816, depending on the relevant underlying asset concerned.
Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets.
The ESG factors shall not be disclosed for each constituent of the benchmark but shall be disclosed at an aggregated weighted average value of the benchmark.
Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in this explanation. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years.

(a) List of environmental factors considered:	Selection, weighting or exclusion: N/A
(b) List of social factors considered:	Selection, weighting or exclusion: N/A
(c) List of governance factors considered:	Selection, weighting or exclusion: N/A
Hyperlink to the information on ESG factors for each benchmark:	N/A

Item 7. Data and standards used

(a) Data input. (i) *Describe whether the data are reported, modelled or sourced internally or externally.* (ii) *Where the data are reported, modelled or sourced externally, please name the third party data provider.*	N/A
(b) Verification and quality of data. *Describe how data are verified and how the quality of those data is ensured.*	N/A
(c) Reference standards *Describe the international standards used in the benchmark methodology.*	N/A
Date on which information has been last updated and reason for the update:	September 15, 2021