

Ground Rules Bel Mid - Index

Version 1.1
December 2005

STOCK
EXCHANGE
BUILDING
1000 BRUSSELS
BELGIUM



Rules for the BEL Mid index

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1. Composition of the BEL Mid index

- 1.1 The BEL Mid index is a free float market capitalisation weighted price index. The index is based on the last traded prices and the weights are based on the free float market capitalisation of the constituents.
- 1.2 The BEL Mid index is structured in such a way that it can be considered to represent general trends of Domestic Midcap stocks listed on Euronext Brussels.
- 1.3 The BEL Mid index includes the Domestic Midcap stocks that are listed on the regulated market (Eurolist) of Euronext Brussels.
- 1.4 The following securities do not qualify for inclusion:
 - a All other securities (Warrants, Convertible Stocks,...) as determined by the compiler. When ruling out securities from inclusion in the BEL Mid index the compiler will take into account the tradability and the settlement of the securities.
 - b All securities that have a free float velocity less than 10% as calculated in art 1.9.
 - c All securities that have a free float less than or equal to 5% as calculated in art 1.7 and 1.8
 - d Securities of companies who do not comply with the obligations regarding dissemination of information.
 - e BEL Securities that are not deemed characteristic for the Belgian market, i.e. non-domestic stocks. When determining the domestic characteristic the following will be taken into consideration (ranked in order of importance):
 - Place of listing
 - Index inclusion history
 - Headquarters' location and legal incorporation
 - Origin of share trading and/or derivatives trading
 - Share ownership
 - In case of doubt the Compiler will make a proposal that needs to be approved by the Supervisor.
- 1.5 Stocks with more than one listing on Euronext Brussels can be included more than once in the BEL Mid index.
- 1.6 The weighting of each security in the BEL Mid index is determined by its end-of-day market capitalisation adjusted for free float. This market capitalisation is calculated by multiplying the last trade share price with the total number of issued shares of the listed share category that is included in the index and with the free float percentage as determined in art 1.7 and 1.8.
- 1.7 Free float is taken to mean total share capital after deduction of the shares in the five categories listed below:
 - **Shares held by group companies**
Shares of the listed company held by companies that it controls.
 - **Shares held by founders**
Shares held directly or indirectly by the founders (individuals or family group) when

these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.).

- **Shares held by the State**
Interests held directly by the State, by public-sector companies and by companies themselves controlled by the State.
- **Shares within the scope of a shareholders agreement**
Shares subject to a shareholders' agreement, and other than those held by founders or the State.
- **Controlling interest**
Shares held by juridical persons (other than founders or the State) exercising control within the meaning of the disclosure law in Belgium.

- 1.8 The selection and weighting of each security in the BEL Mid index shall be determined on the basis of market capitalisation at the time the index is compiled or periodically adjusted whereby the market capitalisation will be adjusted to obtain the so-called free float band adjusted Market Capitalisation by rounding off the calculated free float to the nearest superior multiple of 5 percent. As such:
- If free float of a security is less than or equal to 5%, the security is ineligible
 - If free float of a security is less than or equal to 10% but greater than 5%, 10% of the market capitalisation will be taken into account for the purpose of determining the weight
 - If free float of a security is less than or equal to 15% but greater than 10%, 15% of the market capitalisation will be taken into account for the purpose of determining the weight
 - And so on till 100% if the free float of a security is greater than 95%
- 1.9 Velocity is calculated by taking the sum of the daily division of the number of shares traded by the outstanding number of shares existing the same day, for the twelve previous months. This velocity figure is then divided by the free float band as determined in art 1.8
- 1.10 The maximum weighting of a security in the index shall not exceed 10% at the time of periodic adjustment.
- 1.11 The BEL Mid index is equal to the sum of the free float market capitalisations of its constituents divided by the index divisor and multiplied by 1,000.

2. Calculation of the BEL Mid index

- 2.1 The prices used for the calculation are the most recently published prices on the central orderbook for the trading day concerned. Prices not published immediately after a transaction are not used. No recalculation will take place if prices are cancelled unless the compiler decides otherwise.
- 2.2 The BEL Mid index is recalculated every 15 seconds if the price of one of the securities included in the index changes during the previous 15 seconds.
- 2.3 The compiler of the BEL Mid index retains the right to delay the use of a new price if it believes that this price deviates from the previous price to such an extent that it is necessary to obtain confirmation of the new price.
- 2.4 The calculation of the value of the BEL Mid index will start when Euronext Brussels starts regular daytime trading in accordance with its rules and regulations. If no price has been fixed for a security on the trading day concerned, the last known price established during regular daytime trading in officially listed shares on Euronext Brussels will be used.
- 2.5 The opening value of the BEL Mid index is the value of the index calculated when the compiler of the Euronext Brussels index has received all the necessary prices.
- 2.6 If, for whatever reason, the compiler of the index has not received all the necessary prices at the opening starting regular daytime trading, the opening value of the index will still be calculated at that time if the known prices multiplied by their weighting represents at least 80% of the index.
- 2.7 If less than 80% of the value of the index is known after Euronext Brussels starts official trading in regular daytime, the opening value of the BEL Mid index will be calculated when the 80% threshold is reached, unless the compiler decides otherwise.
- 2.8 The compiler of the BEL Mid index may calculate indicative pre-opening index values before publishing the opening value of the index.
- 2.9 The calculation of the value of the BEL Mid index will stop when Euronext Brussels stops official trading in regular daytime. The last calculated value of the index will be the closing value for that trading day.

3. Publication of the BEL Mid index

- 3.1 The current value of the BEL Mid index is published every 15 seconds.
- 3.2 The publication of the value of the BEL Mid index starts with the opening value. Publication will continue until the closing value for that day is published.
- 3.3 The publication of the value of the BEL Mid index can start when Euronext Brussels starts official trading in regular daytime. Index values published between that time and the publication of the opening value will be considered pre-opening index values (see 2.6, 2.7 and 2.8).
- 3.4 The compiler of the BEL Mid index retains the right to delay the calculation of the opening value and the publication of the index values, or to suspend or discontinue the publication of the index values, if it believes that there are circumstances, which prevent the correct calculation of the index.

4. Rules for the periodical adjustment of the BEL Mid index

- 4.1 The general aim of the compiler of the BEL Mid index when periodically adjusting the index is to ensure that the selection and the weighting of securities continues to meet the basic principles of the index (see section 1) and that the index continues to reflect as closely as possible the value of the underlying share portfolio.
- 4.2 Periodical adjustment to the selection and weightings of the securities will take place each quarter following the calendar below:

Review	Review date	Effective date
1 st Quarterly review	Last trading day February	First trading day April
2 nd Quarterly review	Last trading day May	First trading day July
3 rd Quarterly review	Last trading day August	First trading day October
4 th Quarterly review	Last trading day November	First trading day January

- 4.3 Any changes to the selection of securities will be announced at least one week before the periodical adjustment is made. This is without prejudice to the right of the compiler to revise the selection after the announcement of these changes in the event of a take-over or other unusual circumstances.
- 4.4 Periodical adjustments to the selection and/or weightings of the securities included in the BEL Mid index shall never result in the index changing by more than 0.01 index points.

4.5 Periodical adjustment of the selection of securities

- 4.5.1. a. The selection of the securities included in the BEL Mid index will be adjusted periodically on the basis of the free float band adjusted Market capitalisation of these securities at the end of each quarter. In order to qualify for inclusion in the index the free float velocity should at least be 10%, unless application of art. 1.4.c.
- b. A security is removed from the index if its free float, as defined in article 1.5.a., has become less than or equal to 5%, or if its free float velocity is below 10%.
- 4.5.2. If a company is listed less than 12 months; free float velocity will be calculated on the available months, excluding the 20 first trading days.
- 4.5.3. In the event of companies merging, being acquired or splitting up, the turnover for calculating the free float velocity of the securities issued by these companies will be adjusted as appropriate. For the purposes of these rules a split-up is taken to mean a legal demerger, a spin-off or another situation, which the compiler deems similar. For the purposes of these rules a merger is taken to mean a situation in which the shares in the companies concerned are exchanged for shares in the company resulting from the merger. The turnover will not be assigned if a division of an issuer is sold, either privately or otherwise. The turnover will be assigned if a spun-off division is listed on the stock market as an independent company.

4.5.4 Rules for the periodical selection of securities in the index:

- 1 A list is drawn up of all securities qualifying for selection (see articles 1.3 to 1.7 inclusive, which are the basic selection criteria).
- 2 The free float band adjusted Market capitalisation of each security is calculated.
- 3 The ranking according to decreasing free float band adjusted Market capitalisation of these securities is determined.
- 4 All companies fulfilling the following formula are selected and the companies no longer fulfilling this formula are excluded:
 - The company is not a constituent of the BEL 20 index.
 - Free float market cap must be bigger than BEL 20 index level at review date multiplied by 50 000.

5. Rules for the operational adjustment of the BEL Mid index

- 5.1 The aim of the compiler of the BEL Mid index when making operational adjustments is to ensure that the basic principles of the index (see section 1) are maintained and that the index continues to reflect as closely as possible the value of the underlying portfolio.
- 5.2 Operational adjustments to the selection and/or weighting of securities included in the BEL Mid index may not result in the index concerned changing by more than 0.01 index points.
- 5.3 In cases that are not expressly covered in these rules, periodical adjustments will take place in the spirit of the aim set out in article 4.1. All adjustments must comply with the requirement set out in article 4.4. The compiler of BEL Mid index will submit all periodical adjustments that are not specifically covered in the rules to the supervisor of the BEL Mid index for approval.
- 5.4 The closing prices and the number of outstanding shares are adjusted daily.
- 5.5 The free float percentage and the capping factor will be adjusted quarterly, unless the compiler decides otherwise.
- 5.6 The composition of the portfolio on which the BEL Mid index is based may change as a result of decisions or events that affect one or more of the constituent securities.
- 5.7 If regular daytime trading in one of the securities included in the BEL Mid index stops or the security is no longer traded during regular daytime, the compiler of the BEL Mid index will in the first instance use the last known price of the security concerned, subject to the provisions of section 2, but will also have the possibility of using prices which were not established during regular daytime trading in officially listed shares at Euronext Brussels.
- 5.8 New listing
- a. The new listing will be included in the index on the next effective date of a quarterly review.
 - b. When calculating the free float velocity for a new listing, the first 20 trading days will not be taken into account.
- 5.9 If a constituent is suspended, the index will continue to be calculated using the last traded price. Where suspension of a constituent last beyond noon on the second day, the compiler will consider whether the constituent should be removed. When a stock is removed following suspension, it will be removed at its suspension price unless otherwise decided by the compiler. If a constituent is delisted, it will be removed from the list of constituents as soon as possible.
- 5.10
- a. If a constituent is subject to a take-over offer, a merger, an acquisition, liquidation, bankruptcy filing or a similar situation or has in the opinion of the compiler ceased to be a viable constituent as defined by the rules, the constituent in question will be removed as soon as possible.
 - b. If the effect of a merger or take-over is that one constituent absorbs another constituent the resulting company will remain a constituent of the index.
 - c. If a constituent company is taken over by a non-constituent company, the original constituent will be removed and eventually replaced by the non-constituent company, provided the non-constituent company fulfils the criteria.
- 5.11 In the event that a security of a company included in the BEL Mid index is split up, the free float band adjusted Market capitalisation of the security before split will be attributed to the resulting securities after split. Companies resulting from the split will remain in the index at least till next quarterly review. In case, at the next quarterly review, both of the

resulting securities fall in between higher and lower threshold they will remain included both. If only one of them fall in between, only one will remain included. If none of them fall in between, none will remain included.

- 5.12 Since the level of the index will remain unchanged after a security has been removed from the index as referred to in article 5.7 or 5.9, the divisor will be adjusted.
- 5.13 The BEL Mid index will not be adjusted to take account of periodical cash dividends or any other payments on constituent securities, on the understanding that the compiler may decide otherwise. If this power is used, the divisor of the index will be adjusted so that the value of the index remains the same, using gross dividend value.
- 5.14 The BEL Mid index will not be adjusted for periodical dividends with stock options distributed on constituent securities. In this context a dividend with a stock option is also taken to mean a stock and/or gross cash dividend if the shareholders are able to opt for one of the dividends or a combination of them before the dividend is declared.
- 5.15 In the case of cash or scrip dividends, the index will only be adjusted if these dividends are special. The compiler will use the following criteria for deciding whether a dividend should be considered to be a special dividend:
- a the declaration by a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle; merely an adjustment to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or
 - b the identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

For the purpose of clarification, the compiler will not make adjustment for the following situations:

- 1. payment of ordinary dividends, irrespective of how they are financed;
 - 2. the issue of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
 - 3. an unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.
- 5.16 In the event of a share split the number of shares of the security in the index will be multiplied by the factor used for the split at that time.
- 5.17 In the event of a rights issue the divisor of the BEL Mid index will be adjusted in such a way that the value of the index remains the same.
- 5.18 The procedure set out in article 5.17 will also be followed if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders.
- 5.19 In the event that adjustments as referred to in articles 5.13 to 5.18 inclusive occur in combination, the number of shares of the constituent securities in the index may be adjusted and the divisor may be adapted so that the value of the index remains the same.
- 5.20 In cases that are not expressly covered in these rules, operational adjustments will take place in the spirit of the aim set out in article 5.1. Operational adjustments may also take place if, in the opinion of the compiler of the index, it is desirable to do so to maintain a fair and orderly market in derivatives on this index and/or this is in the best interests of the investors in these products and/or the proper functioning of the markets.

6. Governance of the index

- 6.1 The Indices compiler of Euronext Brussels is responsible for the day-to-day management of the BEL Mid index. The compiler of the BEL Mid index is also responsible for decisions regarding the interpretation of these rules.
- 6.2 The Compiler of the index appoints the supervisor for the BEL Mid index. The Supervisor solely consists of independent members. Furthermore, the Board of Euronext Indices BV appoints and dismisses the Indices Compiler of the BEL Mid index.
- 6.3 The Indices Advisory Committee may be consulted as advisor to the Supervisor in the event of amendments to these rules and in all cases where the Supervisor deems this desirable or necessary.
- 6.4 In cases not covered by these rules but which require direct action, the compiler of the BEL Mid index will make a decision to the best of its ability and in the spirit of and in accordance with the aim of these rules. The decision will be submitted to the supervisor of the BEL Mid index at the earliest possible opportunity.
- 6.5 These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the index is compiled or calculated or affect the BEL Mid index in another way.
- 6.6 The compiler of the BEL Mid index may submit all decisions regarding supplementing, amending, revising or withdrawing these rules to the Indices Advisory Committee for recommendations and will submit them to the supervisor of the BEL Mid index for approval. All decisions will be published immediately.
- 6.7 A period of at least two months should pass between the date a proposed change is published and the date this comes into effect, unless the change is not in conflict with the interests of an affected party.
- 6.8 No liability can be accepted for any losses resulting from supplementing, amending, revising or withdrawing the Rules for the BEL Mid index.
- 6.9 The compiler of the BEL Mid index will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the BEL Mid index in accordance with relevant rules. However, the compiler of the BEL Mid index and the supervisor of the BEL Mid index cannot accept any liability for any inaccuracy in share prices, calculations and the publication of the index, the information used for making adjustments to the index and the actual adjustments.
- 6.10 Euronext Brussels owns all intellectual and other property rights to the BEL Mid index, including the name, the composition and the calculation of the BEL Mid index.

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