



Rules for the NextCAC 70 Index®

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1. Composition of the NextCAC 70 Index

- 1.1 *NextCAC 70 Index* The NextCAC 70 Index is a free float market capitalisation weighted price index. The index is based on the last trade prices of the stocks (including depository receipts for shares) and the weights are based on the current free float market capitalisation.
- 1.2 *Design NextCAC 70 Index* The NextCAC 70 Index is structured in such a way that it can be considered to represent the general trends of all eligible stocks listed on Euronext.
- 1.3 **Composition**
- 1.3.1 *Universe* The NextCAC 70 Index only includes shares issued by companies which are listed on Euronext. Euronext should be read as the official markets operated by the subsidiaries of Euronext N.V.
- 1.3.3 *Excluded securities* The following entities do not qualify for inclusion in the selection universe:
- (a) Holding companies¹ for companies listed on Euronext unless the compiler decides otherwise;
 - (b) Investment Instruments (as defined by the ICB classification system);
 - (c) Convertible preference shares and loan stocks until converted;
 - (d) Warrants, rights and other derivative securities;
 - (e) Other stocks as specified by the compiler.
- 1.4 **Selection**
- 1.4.1 *Selection* The companies included in the NextCAC 70 Index are selected on the basis of the combined ranking of free float market capitalisation and annual turnover.
- 1.4.2 *Dual listing* Dual listings within Euronext will be evaluated and the listing with the best effective share turnover in Euro will be selected as the price source. In cases where the effective share turnover of these dual listings is almost equal (to be determined at the discretion of the compiler), the compiler will decide which price source to use. This is to prevent switching between the two price sources at every review. The effective turnover will be collected over a period of six months before the review.
- 1.5 **Weighting**
- 1.5.1 *Maximum percentage weighting* The maximum percentage weighting of a constituent may not exceed 15% at the time of periodic adjustment of the index.
- 1.5.2 *Free float* The weighting of each security in the NextCAC 70 Index shall be determined on the basis of current market capitalisation. The market capitalisation, based on the total number of issued shares of the listed share category (on Euronext), will be adjusted to obtain the so-called free float band adjusted Market Capitalisation by rounding up the calculated free float to the nearest multiple of 5 percent.

¹ Holding companies are defined as companies whose main activity is to hold the shares of one other company.

2. Calculation and publication of the NextCAC 70 Index

- 2.1 *Calculation of index* The NextCAC 70 Index value is equal to the current total market capitalisation (adjusted for free float) of the index divided by the index divisor (see appendix 1).
- 2.2 *Share prices* The share prices are the prices of transactions concluded during regular daytime trading in officially listed stocks on Euronext. Official stock opening prices are the first traded prices during official trading hours. Should an official opening price be unavailable, the previous trading days official closing price is used. In the case of corporate actions, the adjusted closing price is used.
- 2.3 *Cancellation of prices* The level of the NextCAC 70 Index is calculated each trading day on the basis of the most recently published prices on that day. If prices are cancelled, the index will not be recalculated unless the Compiler decides otherwise.
- 2.4 *Publication frequency* The level of the NextCAC 70 Index is in principle published every 30 seconds.
- 2.5 *Start calculation* The calculation of the level of the NextCAC 70 index starts when Euronext Paris begins regular daytime trading in officially listed shares in accordance with the provisions of the Euronext Rule Book.
- 2.6.1 *Pre-opening forerunner* A pre-opening indicator known as pre-opening forerunner aiming to give an indication of market trend is disseminated before the market opening. This pre-opening forerunner is calculated from 7.15 to 9.00, on the basis of the theoretical opening prices determined by matching bid and ask prices as if trading were started on the market.
- 2.6.2 *Session Forerunner* If for any reason, share prices are not available for all constituents after Euronext has started regular daytime trading, a forerunner will be disseminated until the two conditions set forth in article (2.6.3) are met. This forerunner is calculated on the basis of the available share prices traded. It gives then an indication of the first percentage change of the index.
- This forerunner is defined as the variation percentage between the total free float market capitalization of stocks traded and the most recent closing market capitalization of the same stocks.
- 2.6.3 *Opening level/ opening criteria* The **opening level** is calculated using the opening prices of traded constituents or in the case of constituents that have non-traded, halted or suspended status, the previous day reference prices or estimated prices (for IPOs, buyouts and swap offers). The opening index level reflects the opening prices of the index constituents.
- The opening index level is disseminated at the same time as the first index level, and it might not be equal to the first index level, which is disseminated as soon as the following conditions are met:
1. The total weight of stocks traded, halted or suspended equal

100% of the total free float market capitalization of the NextCAC 70 index.

2. The weight of stocks traded is superior or equal to 65% of the total free float market capitalization of the NextCAC 70 index

2.7 If after the market opens the NextCAC 70 index remains in forerunner as defined in the article (2.6.2), during the entire trading session, the closing level of the NextCAC 70 index will be calculated on the basis of the most recent traded prices, or the most recent reference price (possibly adjusted to account for corporate actions).

2.8 *Closing level* The following indices are disseminated after the market close.

1. The reference closing level, which is calculated on the basis of all closing prices derived from the closing auction.
2. The reference opening price, which is calculated on the basis of the opening shares prices.

In both cases, for constituents that have non-traded, halted or suspended status, the previous day reference prices or estimated prices (for IPOs, buyouts and swap offers) are used, instead.

2.9 *Intervention in publication* The Compiler retains the right to delay the publication of the opening level of the NextCAC 70 Index. Furthermore, the Compiler of the NextCAC 70 Index retains the right to suspend the publication of the level of the NextCAC 70 Index or to mark the level of the NextCAC 70 Index indicative, if it believes that circumstances prevent the proper calculation of the index.

2.10 **Calculation of the NextCAC 70 Total Return Index**

Total Return Index A total return version of the NextCAC 70 Index will be calculated and published following the official close of business each day. The NextCAC 70 Total Return Index will be calculated using gross dividends. Special dividends announced by a constituent company will not be treated as regular dividend income, and such events will be adjusted as a corporate action.

3. Rules for the periodical adjustment of the NextCAC 70 Index

- 3.1 *General aim periodical adjustment* Periodic assessments of the NextCAC 70 index shall be conducted by the Euronext Indices Steering Committee. The Euronext Indices Steering Committee operates independently of Euronext and can thus act freely in the interests of the market and investors(s). The objective of the selection of constituents is to compose an index that is a highly tradable representation of the largest companies listed on Euronext, ensuring that the underlying constituents continue to meet the basic principles of the index (described in section 1), and that the index continues to reflect as closely as possible the value of the underlying securities portfolio.
- 3.2 **Adjustment date**
- 3.2.1 *Date of periodical adjustment* The Euronext Indices Steering Committee will conduct an annual review of the NextCAC 70, which is to be held end of August in order to effectuate the changes on October 1st of each year. Apart from this annual review it may occur that changes in the selection need to be made. Occasions where this may happen are for example major Initial Public Offerings (“IPO’s”) and removals due to takeovers or bankruptcies.
- 3.2.2 *Date of announcement* The Euronext Indices Steering Committee meetings are held after the market close to prevent manipulation in securities that might be included in or excluded from the samples. Its decisions on index composition adjustments are disclosed in press releases or notices published immediately after Euronext Indices Steering Committee meetings; they do not take effect for at least four weeks unless the index change relates to a situation as described in section 4.
- 3.3 *Permissible index change* Periodical adjustments of the NextCAC 70 Index shall never result in the index changing by more than 0.01 index points.
- 3.4 **Periodical adjustment of the selection of constituents**
- Selection procedure* At the occasion of the annual review, the 70 highest ranking securities following the combined ranking of free float market capitalisation and annual turnover from the selection universe as described in section 1 as at the end of July of each year, are selected for inclusion in the NextCAC 70 Index. In case of equal combined ranking the free float market capitalisation ranking is decisive. The Euronext Indices Steering Committee shall determine the selection in accordance with the following rules:
- a) Securities ranked 65, 64 or above will be automatically selected and current constituents ranked below 75 will be automatically deleted from the index.
 - b) From the 10 securities ranking 66 until 75 inclusive, 5 are selected. The order of preference in this part is as follows:
 1. Current constituents are preferred over non constituents;
 2. Current non-constituents of the NEXTCAC 70 that form part of a national blue chip index (CAC40, AEX, BEL 20 or PSI 20) are preferred over non-constituents that are not part of a national blue chip index

- c) In exceptional cases the Euronext Indices Steering Committee may make further changes to the final ranking of constituents between number 66 and 75.

3.7 **Final provisions for periodical adjustments**

Cases not covered In cases which are not expressly covered in these rules, periodic reviews will take place in the spirit of these rules.

4. Corporate events affecting selection

4.1 Operational adjustment to the composition of the index

General The composition of the portfolio on which the NextCAC 70 Index is based may change as a result of decisions or events, which affect one or more of the constituents of the NextCAC 70 Index.

4.2 Mergers and Acquisitions

4.2.1 *Price source if trading stops* If regular daytime trading in one of the securities included in the NextCAC 70 Index stops or the stock is no longer traded during regular daytime trading, the compiler of the NextCAC 70 Index will in the first instance use the last known price of the stock 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.

4.2.2 *Mergers, acquisitions, other cases* If trading at Euronext is stopped or will stop in accordance with article 4.2.1, the Euronext Indices Steering Committee may decide to remove the constituent or to replace it with the stock that will continue to be traded during regular daytime trading at Euronext.

4.2.4 *Prices used in case of merger or acquisition offers* If shares may be offered for exchange in connection with a merger or acquisition and this temporarily results in two listings at Euronext, the prices of the offered shares will be used, unless the compiler decides otherwise. In the event of a merger involving two or more securities included in the NextCAC 70 Index, the combined market capitalisation will be included in the index. The index will then temporarily consist of fewer than 70 securities until the Euronext Indices Steering Committee selects a replacement.

4.3 Split-up

4.3.1 *Split-up inclusion* In the event that a company included in the NextCAC 70 Index is split up, the securities resulting from the split, including the original stock where appropriate, will continue to be included in the index unless the Euronext Indices Steering Committee decides otherwise.

4.3.2 *Weightings after split-up* Since the level of the index will remain unchanged after a stock has been removed from the index as referred to in article 4.2.2 or 4.3.1, the divisor of the index is adjusted.

- 4.4 **Fast entry rule for IPO's**
- 4.4.1 *Inclusion of IPO's* Securities of companies which are newly admitted to listed on Euronext may be included in the NextCAC 70 index prior to the annual review if the Euronext Indices Steering Committee regards such a new listing as a fast entry as described in Rule 3.2.
- 4.4.2 *Criteria for fast entry* In order to qualify for a fast entry in the NextCAC 70 index a company's free float market capitalisation must be bigger than the constituent which ranks 35 in terms of free float market capitalisation at the end of the first month that the securities were officially admitted to listing on Euronext.
- 4.4.3 *Date of inclusion* If the securities of a company qualify for fast entry, the securities will be included in the index at the end of the second month that the securities were officially admitted to listing on Euronext.
- 4.4.4 *Removal of current constituent* If it is necessary to remove a constituent, a ranking of the current constituents will be made of the free float market capitalisation and turnover since the last review at the end of the first month that the securities were officially admitted to listing on Euronext. The newly listed securities will replace the lowest ranking constituent that is not part of a national Blue Chip index. If all constituents of the NextCAC 70 are part of a national Blue Chip index the lowest ranking constituent will be removed.
- 4.4.5 *Discretion in application* The Euronext Indices Steering Committee may, in exceptional cases, decide not to apply the fast entry rule.
- 4.5 **Final provisions for operational adjustments of selection**
- 4.5.1 *Permissible index change* Operational adjustments to the selection and/or weighting of companies included in the NextCAC 70 Index may not result in the index concerned changing by more than 0.01 index points.

5. Corporate events affecting weighting of constituents

5.1 **General**

- 5.1.1 *Basic principle* The aim of the Compiler of the NextCAC 70 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.
- 5.1.2 *Adjusted price* The decision if any particular corporate action will result in a divisor adjustment based on an adjusted closing price as calculated by the compiler, depends on the treatment of this corporate action on the national Euronext market, as the treatment of the national Euronext market will be replicated in order to have the same stock price for all indices.
- 5.1.3 *Change in number of shares in the index* If a corporate action is applied to an index constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action.

5.2 **Dividends**

- 5.2.1 *Ordinary dividend* In the event of ordinary dividends the index will not be adjusted..
- 5.2.2 *Adjustment for dividend* 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 an 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.

- 5.2.3 *Bonus issues* In the event of a stock dividend, bonus dividend or bonus issue, the divisor of the NextCAC 70 Index will not be adjusted unless the compiler of the index decides the issue is structured in such a way the underlying principles and accuracy of the index are effected. To determine whether a bonus dividend exists, the basic principle will be whether the company treats it as a bonus dividend and publishes it as such. The compiler will make the final decision if there is any doubt.

- 5.3 **Rights issues and other rights**
- 5.3.1 *Rights issue* In the event of a rights issue the divisor of the index will be adjusted to take account of the (positive) value of the rights issue. The adjustment of the index will be based on the theoretical value of the rights issue as calculated by the compiler.
- 5.3.2 *Other rights* The procedure set out in article 5.3.1 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.
- 5.4 *Change of capital structure* If a company changes its capital structure and the market capitalisation of the company pre the capital structure change equals the market capitalisation of the post capital structure change the index divisor remains unchanged. If a company changes capital structure and the market capitalisation of the company pre the capital structure change differs from the market capitalisation of the post capital structure change the index divisor is adjusted accordingly.
- 5.5 *Share split* In the event of a share split the number of shares in the company concerned will be multiplied by the factor used for the split at that time.
- 5.6 *Multiple adjustments* In the event that adjustments as referred to in articles 5.2 up to 5.5 inclusive occur in combination, the number of shares in the constituent company in question will be adjusted so that the value of the index remains the same.
- 5.7 **Final provisions for operational adjustments affecting weightings**
- 5.7.1 *Permissible index change* Operational adjustments to the weighting of companies included in the NextCAC 70 Index may not result in the index concerned changing by more than 0.01 index points.
- 5.7.2 *Cases not covered* In cases which are not expressly covered in these rules, operational adjustments will take place along the lines of the aim set out in article 5.1. Operational adjustments may also take place if, in the opinion of the Compiler of the NextCAC 70 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.
- All adjustments must meet the requirement that the NextCAC 70 Index value shall remain unchanged as a result of an operational adjustment. The compiler of the NextCAC 70 Index will submit all operational adjustments which are not specifically covered in the rules to the supervisor, as meant in rule 6.1, for approval.

6. Governance and final provisions

- 6.1 *Governance* The board of directors of Euronext Indices B.V., a subsidiary of Euronext Amsterdam N.V., acts as the compiler of the NextCAC 70 Index. The Euronext Indices Steering Committee acts as advisory body for the compiler when changing these rules and as the supervisor of the Compiler.
- 6.2 *Compiler* The Compiler is responsible for the day-to-day management of the NextCAC 70 Index and is also responsible for decisions regarding the interpretation of these rules.
- 6.3 *Cases not covered* In cases not covered by these rules but which require direct action, the Compiler will make a decision to the best of its ability and along the lines of and in accordance with the aim of these rules. The decision will be submitted to the supervisor of the NextCAC 70 Index at the earliest possible opportunity.
- 6.4 *Rule book* 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 NextCAC 70 Index is compiled or calculated or affect the NextCAC 70 Index in another way. The Compiler will submit all decisions regarding supplementing, amending, revising or withdrawing these rules to the Euronext Indices Steering Committee for recommendations and approval. All decisions will be published immediately. A period of at least three 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. Euronext, the Compiler nor the Euronext Indices Steering Committee are liable for any losses resulting from supplementing, amending, revising or withdrawing the Rules for the NextCAC 70 Index.
- 6.5 *Liability* The Compiler will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the NextCAC 70 Index in accordance with relevant rules. However, Euronext, the Compiler and the Euronext Indices Steering Committee are not liable 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.
- 6.6 *Ownership of NextCAC 70 Index* Euronext Indices B.V. owns all intellectual and other property rights to the NextCAC 70 Index, including the name, the composition and the calculation of the NextCAC 70 Index.

Definitions

Euronext Indices Steering Committee:	Committee consisting of independent persons which acts as supervisor to the NextCAC 70 Index and to which all decisions regarding supplementing, amending, revising or withdrawing these rules are submitted for approval.
Compiler:	The board of directors of Euronext Indices B.V.
ICB classification system:	Industry Classification Benchmark system

Appendix 1 NextCAC 70 Index Calculation Method

$$\text{Index value} = \sum_{i=1}^n \frac{c_i * f_i * x_i * w_i}{d}$$

Where:

- n: The number of securities in the index;
- c_i: Capping factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents unadjusted.
- f_i: Free float factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float.
- x_i: The latest trade price of the ith component stock (or the price at close of business on the previous day);
- w_i: The weighting for the ith component stock (equal to the number of ordinary shares listed at Euronext);
- d: The divisor (a figure which represents the total issued share capital of the index at the base date and which can be adjusted to allow changes in the issued share capital of individual constituents to be made without distorting the index).

Appendix 2 Total Return Index Calculation Method

The total return index calculation takes two steps: the first step is to transpose the announced dividend payment into index points. This is called the XD adjustment. This uses the following formula:

$$\text{XD adjustment} = \sum_{i=1}^n \frac{g_i * c_i * f_i * w_i}{d}$$

Where:

- n: The number of securities in the index;
- g_i: The announced dividend per share of the ith component stock;
- c_i: Capping factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents unadjusted.
- f_i: Free float factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float.
- w_i: The weighting of the ith component stock (equal to the number of ordinary shares issued by the company);
- d: Divisor of the index.

The second step of the calculation uses the figures calculated in step one (xd adjustment). These figures are now included in the formula below which actually calculates the index value including dividend re-investment (total returns).

$$\text{TR}_t = \text{TR}_{t-1} \left(\frac{\text{IV}_t + \text{XDG}}{\text{IV}_{t-1}} \right)$$

Where:

- TR_{t-1}: Total returns index value yesterday;
- TR_t: Total returns index value today;
- IV_{t-1}: Underlying capital index yesterday;
- IV_t: Underlying capital index today;
- XDG: XD adjustment to underlying capital index (see step 1 above).

Appendix 3 Treatment of corporate events

1. Cash dividend (total return index)

Dividend effect = (shares * gross dividend)/divisor

2. Special cash dividend

Price adjustment = closing price - dividend announced by the company

3. Split

Shares = old number of shares * N / F

Price adjustment = closing price * F / N

Where:

F: Former shares

N: New shares

4. Scrip issue

Shares = old number of shares + (old number of shares * N / F)

Price adjustment = closing price * F / F+N

5. Shares consolidation

Shares = old number of shares * N / F

Price adjustment = closing price * F / N