# Rules for the Alternext® All-Share Index
# September 2006

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# 1. Composition of the Alternext® All-Share Index

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| 1.1 | *Definition of the Index* | The Alternext® All-Share Index is a market capitalisation weighted price index of the eligible companies listed on the Alternext Market of Euronext. Alternext should be read as representing all the Alternext Markets operated by the subsidiaries of Euronext N.V. |
| 1.2 | *Design* | The Alternext® All-Share Index is structured in such a way that it can be considered to represent the general trends of all companies listed on the Alternext Market. It is designed both as a tool for the management of portfolios specialised in small and mid-cap stocks and as a vehicle for the promotion of listed companies. |
| 1.3 | *Composition* | |
| 1.3.1 | *Universe* | The universe is composed of stocks listed on the Alternext Market of Euronext. |
| 1.3.2 | *Excluded securities* | The Compiler reserves the right to exclude:<br>(a) Convertible preference shares and loan stocks until converted, and<br>(b) Warrants, rights and other derivative securities, which could possibly interfere with the proper calculation of the index, from the selection universe.<br>(c) Secondary listing of stocks. |
| 1.4. | *Weighting in shares* | The weighting of each stock included in the Alternext® All-Share Index is determined by its current market capitalisation. This market capitalisation is calculated by multiplying the last traded share price by the total number of issued shares of the listed share category (on Euronext) that is included in the index. The total current number of shares in issue of each stock is included in the Alternext® All-Share Index. |

# 2. Calculation and publication of the Alternext® All-Share Index

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| 2.1 | *Calculation of the index* | The level of the Alternext® All-Share Index is calculated using the share prices of all the constituents of the index, quoted on the Alternext Market of Euronext (see appendix 1) |
| 2.2 | *Share prices* | The last traded prices established on regular daytime are used for the calculation of the index. |
| 2.3 | *Cancellation of prices* | If prices are cancelled, the index will not be recalculated unless the Compiler decides otherwise. |
| 2.4 | *Publication frequency* | The level of the Alternext® All-Share Index is published once a day every trading day after closing of the regular daytime trading on Euronext. |
| 2.5 | *Unavailability of Prices* | 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 will be used. |
| 2.6 | *Intervention in publication* | The Compiler retains the right to delay or to suspend the publication of the level of the Alternext® All-Share Index, if the Compiler believes that circumstances prevent the proper calculation of the index. |

2.7 Calculation of the Alternext All-Share Total Return Index

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| *Total Return Index* | Two total return versions of the Alternext® All-Share Index will be calculated and published following the official close of business each day, a gross and a net total return version. |

# 3. Corporate events affecting selection

3.1 *Operational adjustment to the composition of the index*

3.1.1 *General*

The composition of the portfolio on which the Alternext® All-Share Index is based may change as a result of decisions or events, which affect one or more of the constituents of the Alternext® All-Share Index.

3.1.2 *Announcement of composition changes*

Changes in the composition of the Alternext Market are announced via an official notice by Euronext.

3.2 *Mergers and Acquisitions*

3.2.1 *Price source if trading stops*

If regular daytime trading for one of the securities included in the Alternext® All-Share Index stops or the stock is no longer traded during regular daytime trading, the compiler of the Alternext® All-Share 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 on Euronext.

3.2.2 *Prices used in case of merger or acquisition offers*

If a stock of Alternext® All-Share Index is subject to a takeover bid or an acquisition, the Compiler may decide to remove temporarily the stock in question from the index, before the announcement of the official result of the offer. In light of the outcome of the offer, the compiler may decide to remove definitively or not the stock from the index.

3.3. *Split-up*

In the event that a company included in the Alternext® All-Share Index is split up, the securities resulting from the split that are included in the Alternext Market, will be included in the index. If the total post-market capitalisation of the stocks resulting from the split differs from the pre-market capitalisation of the original stock, the divisor of the index is adjusted. 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 to be similar.

3.4 New listings

*Newly listed stocks*

Newly listed stocks on this Alternext market, shall be added to the Alternext® All-Share Index two weeks after the first trading day.

# 4. Corporate events affecting weighting of constituents

4.1 *Basic principle* The aim of the Compiler of the Alternext® All-Share 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.

4.2 *Adjusted price* The decision if any particular corporate action will result in a recalculation of the adjustment coefficient of the index 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.

4.3 *Dividends*

4.3.1 *Ordinary dividend* In the event of ordinary dividends the index will not be adjusted.

4.3.2 *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. Issue of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
3. Unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

4.3.3 *Bonus issues* In the event of a stock dividend, bonus dividend or bonus issue, the divisor of the Alternext® All-Share Index will not be adjusted unless the compiler of the index decides the issue is structured in such a way that underlying principles and accuracy of the index are affected. 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.

4.4 *Rights issues and other rights*

4.4.1 *Rights issue* In the event of a rights issue, the adjustment coefficient of the index will be adjusted in such a way that the index level remains the same. The adjustment coefficient is recalculated on the basis of the theoretical value of the rights issue as calculated by the compiler.

4.4.2 *Other rights* The procedure set out in article 4.3.1 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.

4.5 *Change of capital structure* If a company changes its capital structure and the market capitalisation of the company the pre capital structure change equals the market capitalisation of the post capital structure change, the adjustment coefficient of the index 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 adjustment coefficient of the index is recalculated accordingly.

4.6 *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.

4.7 *Multiple adjustments* In the event that adjustments as referred to in articles 4.2 up to 4.5 occur in combination, the number of shares in the constituent company in question will be adjusted so that the index level remains the same.

4.8 *Change in issued shares* Changes in issued shares of the primary line, which is included in the Index, will be implemented in the index on a daily basis.

4.9 *Final provisions for operational adjustments affecting weightings*

4.9.2 *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 5.3. Operational adjustments may also take place if, in the opinion of the Compiler of the Alternext® All-Share 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 Alternext® All-Share Index value shall remain unchanged as a result of an operational adjustment. The compiler of the Alternext® All-Share Index will submit all operational adjustments which are not specifically covered in the rules to the supervisor, as meant in rule 5.3, for approval.

# 5. Governance and final provisions

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| 5.1 | *Governance* | The board of directors of Euronext Indices B.V., acts as the compiler of the Alternext® All-Share Index. The Euronext Indices Steering Committee acts as advisory body for the compiler when changing these rules and as the supervisor of the Compiler. |
| 5.2 | *Compiler* | The Compiler is responsible for the day-to-day management of the Alternext® All-Share Index and is also responsible for decisions regarding the interpretation of these rules. |
| 5.3 | *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 Alternext® All-Share Index at the earliest possible opportunity. |
| 5.4 | *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 Alternext® All-Share Index is compiled or calculated or affect the Alternext® All-Share 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 Alternext® All-Share Index. |
| 5.5 | *Liability* | The Compiler will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the Alternext® All-Share 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. |
| 5.6 | *Ownership of Alternext® All-Share Index* | Euronext Indices B.V. owns all intellectual and other property rights to the Alternext® All-Share Index, including the name, the composition and the calculation of the Alternext® All-Share Index. |

# Definitions:

**Euronext Indices Steering Committee**: Committee consisting of independent persons which acts as supervisor to the Alternext® All-Share 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.

# Appendix 1: Alternext® All-Share Index Calculation Method

$$I_t = 1000 \times \frac{\sum_{i=1}^{N} \left( Q_i^t \times C_i^t \right)}{K^t \times CBA^0}$$

where :

t = day of calculation

N = number of component stocks in sample

$Q_i^t$ = Number of listed shares of stock i on day t

$C_i^t$ = Price of stock i on day t

CBA° = market capitalisation of sample on index base market capitalisation of the index (CBA)= 820, 319, 590.26 on 30 December 2005)

$K^t$ = adjustment coefficient at day t for base capitalisation.

# Appendix 2 : Total Return Index Calculation Method

The total return index is calculated as follow

**Total return index calculation**

$$RI^t = \frac{RI^{t-1}}{I^{t-1}} \times \left( I^t + 1000 \times \frac{\sum_{i=1}^{N} \left( Q_i^t \times D_i^t \right)}{K^t \times BC^\circ} \right)$$

where :

| | | |
|---|---|---|
| t | = | day of calculation |
| N | = | number of component stocks in the sample |
| $Q_i^t$ | = | Number of listed shares of stock i on day t |
| $C_i^t$ | = | Price of stock i on day t |
| BC° | = | Base market capitalization of the index (on December 31 2005) |
| $K^t$ | = | adjustment coefficient at day t for base capitalization |
| $RI^{t-1}$ | = | Total return index level on day t-1 |
| $I^{t-1}$ | = | Index level on day t-1 of price index |
| $D_i^t$ | = | Dividend per share stock I on day t (net for net return and gross for gross return) |

# Appendix 3: Treatment of corporate events

**1. Special cash dividend**

Price adjustment = closing price – special cash dividend announced by the company

**2. Split**

Shares = old number of shares * N / F
Price adjustment = closing price * F / N

Where:

F: Former shares
N: New shares

**3. Scrip issue**

Shares = old number of shares + (old number of shares * N / F)
Price adjustment = closing price * F / F+N

**4. Shares consolidation**

Shares = old number of shares * N / F
Price adjustment = closing price * F / N