



**Rules for the Private Equity NXT Index  
February 2008**

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# 1. Composition of the Private Equity NXT Index

- 1.1 *Definition of the Index* The Private Equity NXT Index is a market capitalisation weighted price index of the eligible companies listed on Euronext.
- The index is based on the last traded prices of the stocks (including depository receipts for shares) and the weights are based on the current market capitalisation.
- 1.2 *Design* The Private Equity NXT Index is structured in such a way that it can be considered to represent the general trends of all companies listed on Euronext that employ activities in the field of Private Equity and related areas. It is designed both as a tool for the management of portfolios specialised in this industry and as a vehicle for the promotion of listed companies.
- 1.3 *Composition*
- 1.3.1 *Universe* The universe is composed of companies listed on Euronext, classified (according to the ICB classification) as 8985, Equity Investment Instruments, or as 8775 Specialty Finance. Other companies may be included in the universe by discretion of the PE Advisory Committee.
- 1.3.2 *Excluded securities* The Compiler reserves the right to exclude:
- (a) Convertible preference shares and loan stocks until converted, and
  - (b) Warrants, rights and other derivative securities, which could possibly interfere with the proper calculation of the index, from the selection universe.
  - (c) Secondary listing of stocks.
- 1.3.3 *Selection criteria* In order to qualify for selection the companies must meet the following criteria:
- 1. The value of listed participations should not exceed 30% of total value of the market cap of the company. Listed participations can be held no longer than 5 years.
  - 2. At least 2/3 of participations should be in non-listed companies. Please note that "Non-listed" also includes companies listed on non-regulated markets such as Alternext or Marché Libre.
  - 3. The market capitalization should be minimum € 300 million
- 1.4 **Weighting**
- 1.4.1 *Weighting in shares* The weighting of each stock included in the Private Equity NXT 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 Private Equity NXT Index.
- 1.4.2 *Capping* The maximum percentage weighting of a constituent may not exceed 15% at the time of periodic adjustment of the index.

## 2. Calculation and publication of the Private Equity NXT Index

- 2.1 *Calculation of the index* The level of the Private Equity NXT Index is calculated using the share prices of all the constituents of the index, quoted on Eurolist by Euronext
- 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 Private Equity NXT 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 Private Equity NXT Index, if the Compiler believes that circumstances prevent the proper calculation of the index.
- 2.10 **Calculation of the Private Equity NXT Total Return Index**
- Total Return Index* A total return versions of the Private Equity NXT Index will be calculated and published following the official close of business each day, based on gross total return.

### 3. Periodical review of the Private Equity NXT Index

3.1 *General aim periodical adjustment* The general aim of the Compiler when making periodical adjustments to the Private Equity NXT index is to ensure that the selection and the weighting of the constituents continue to meet the principles set out in section 1 and that the index reflects as closely as possible the value of the underlying basket of shares.

#### 3.2 Adjustment date

3.2. *Date of periodical adjustment* Periodical adjustment of the index takes place each year after the close of the market on the first trading day in August.

3.3 *Publication of new selection* Changes to the composition are announced at least one week before the adjustments are made via the website of NYSE Euronext.

#### 3.5 Periodical adjustment of the selection of constituents

3.5.1 *Selection criteria* The criteria for the selection are stipulated in section 1.3. of these rules.

3.5.2 *Selection procedure* Each year the companies in the index and in the index universe are evaluated against the selection criteria based on the information available on last trading day of June.

Companies within the Universe that meet the selection criteria will be added to the index, while current constituents that fail to meet the criteria will be removed from the index.

The PE Advisory Committee will take a final decision on entrance and removal of companies in the index.

## 4. Corporate events affecting selection

- 4.1 **Operational adjustment to the composition of the index**
- 4.1.1 *General* The composition of the portfolio on which the Private Equity NXT Index is based may change as a result of decisions or events, which affect one or more of the constituents of the Private Equity NXT Index .
- 4.1.2 *Announcement of composition changes* Changes in the composition of the Private Equity NXT Index are announced via a notice by Euronext Indices.
- 4.2 **Mergers and Acquisitions**
- 4.2.1 *Price source if trading stops* If regular daytime trading for one of the securities included in the Private Equity NXT Index stops or the stock is no longer traded during regular daytime trading, the compiler of the Private Equity NXT 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.
- 4.2.2 *Prices used in case of merger or acquisition offers* If a stock of Private Equity NXT 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 or not definitively the stock from the index.
- 4.3 **Split-up**
- 4.3.1 *Split-up inclusion* In the event that a company included in the Private Equity NXT Index is split up, the securities resulting from the split that are classified as Private Equity, will continue to 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.
- 4.4 **New listings**
- Newly listed stocks* Newly listed stocks on Euronext that fulfill the criteria of the index, shall be added to the Private Equity NXT Index one month after the first trading day.

## 5. Corporate events affecting weighting of constituents

- 5.1 *Basic principle* The aim of the Compiler of the Private Equity NXT 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.
- 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.
- 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. 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.
- 5.2.3 *Bonus issues* In the event of a stock dividend, bonus dividend or bonus issue, the divisor of the Private Equity NXT 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 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 adjustment coefficient of the index will be adjusted in such a way that the value of the index remains the same. The adjustment coefficient is recalculated on the basis of the theoretical value of the rights issue as calculated by the compiler.
- 5.3.2    *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.
- 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 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.
- 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 4.2 up to 4.5 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      *Change in issued shares*      Changes in issued shares of the primary line, which is included in the Index, will be implemented on a daily basis.
- 5.8      **Final provisions for operational adjustments affecting weightings**
- 5.8.2    *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 4.1. Operational adjustments may also take place if, in the opinion of the Compiler of the Private Equity NXT 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 Private Equity NXT Index value shall remain unchanged as a result of an operational adjustment. The compiler of the Private Equity NXT 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.

## 6. Governance and final provisions

- 6.1 *Governance* The board of directors of Euronext Indices B.V., acts as the compiler of the Private Equity NXT Index. The PE Advisory 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 Private Equity NXT 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 Private Equity NXT 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 Private Equity NXT Index is compiled or calculated or affect the Private Equity NXT Index in another way. The Compiler will submit all decisions regarding supplementing, amending, revising or withdrawing these rules to the Supervisor 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 Supervisor are liable for any losses resulting from supplementing, amending, revising or withdrawing the Rules for the Private Equity NXT 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 Private Equity NXT Index in accordance with relevant rules. However, Euronext, the Compiler and the Supervisor 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 Private Equity NXT Index* Euronext Indices B.V. owns all intellectual and other property rights to the Private Equity NXT Index, including the name, the composition and the calculation of the Private Equity NXT Index.

## Definitions

**PE Advisory  
Committee:**

Committee consisting of independent persons and employees of NYSE Euronext which acts as supervisor to the Private Equity NXT 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.