



INDEX RULE BOOK

Euronext® Health Care Equipment & Services EW

Version 14-02

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indices.euronext.com

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1. INDEX SUMMARY

Factsheet	Euronext® Health Care Equipment & Services EW
Index names	Euronext® Health Care Equipment & Services EW
Index type	Price return index.
Index governance structure	Euronext acts as Compiler and Supervisor of the index
Eligible stocks	The universe is composed of companies admitted to listing on Euronext and classified (according to the ICB classification) as 453X, Health Care Equipment & Services.
Selection	All eligible stocks according to their ICB classification.
Number of constituents	Variable
Weighting	Based on equal weight; annually rebalanced.
Capping	Not applicable: capping factors are used to achieve equal weights at rebalances.
Review of composition	Continuous
Rebalancing	Annually effective on the first trading day of April
Review of number of shares	Daily
Base Currency	Euro

Note: the factsheet is a summary of the rule book for information purposes only. The text of the rule book is leading.

Reference Data

Index name	Isincode	Mnemo	Bloomberg Code	Reuters code	Base date	Base value	Publication since
Euronext Health Care Equipment & Services EW	FR0012082790	ENMEW	ENMEW	.ENMEW	1-4-2013	1000	01-09-2014

2. GOVERNANCE AND DISCLAIMER

2.1 INDICES

This rule book applies to the following indices (hereinafter “index”) owned by Euronext N.V. or its subsidiaries (hereinafter jointly “Euronext”):

- Euronext Health Care Equipment & Services EW

2.2 SUPERVISOR AND COMPILER

Euronext is the supervisor (“Supervisor”) and compiler of the index (“Compiler”). The Supervisor is responsible for monitoring the selection of constituents for the index and ensuring that the index offers a reliable and representative view of the market. The Compiler is responsible for the day-to-day management of the index and is also responsible for decisions regarding the interpretation of these rules.

2.3 CASES NOT COVERED IN RULES

In cases which are not expressly covered in these rules, operational adjustments will take place along the lines of the aim of the index. Operational adjustments may also take place if, in the opinion of the Compiler, 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 products based on the index and/or the proper functioning of the markets. The Compiler will report to the Supervisor if it took a decision about a case which is not specifically covered in the rules for comments and review.

2.4 RULE BOOK CHANGES

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 index in another way. The Compiler will submit all decisions regarding supplementing, amending, revising or withdrawing these rules to the Supervisor for recommendations or approval.

2.5 LIABILITY

Euronext, the Compiler and the Supervisor are not liable for any losses resulting from supplementing, amending, revising or withdrawing the rules for the index.

The Compiler will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the index in accordance with relevant rules. However, neither Euronext, nor the Compiler, nor the Supervisor are liable for any inaccuracy in index composition, share prices, calculations and the publication of the index, the information used for making adjustments to the index and the actual adjustments. Furthermore, Euronext, the Compiler and the Supervisor do not guarantee the continuity of the composition of the index, the continuity of the method of calculation of the index, the continuity of the dissemination of the index levels, and the continuity of the calculation of the index.

2.6 OWNERSHIP AND TRADEMARKS

Euronext owns all intellectual and other property rights to the index, including the name, the composition and the calculation of the index. Euronext® is a registered trademark of Euronext.

3. PUBLICATION

3.1 DISSEMINATION OF INDEX VALUES

3.1.1 Opening

The opening level is calculated using the last known 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 is disseminated at the same time as the first index level.

3.1.2 Calculation and dissemination

The index is calculated based on the most recent prices of transactions concluded on the relevant markets. The level of the index is in principle published every 15 seconds. The index is calculated from 09:00 hours until Euronext Markets stop regular daytime trading on the days when the Euronext Markets are open for trading.

3.1.3 Closing level

The closing level is the last level disseminated on the trading day.

3.2 EXCEPTIONAL MARKET CONDITIONS AND CORRECTIONS

The Compiler retains the right to delay the publication of the opening level of the index. Furthermore, the Compiler retains the right to suspend the publication of the level of the index to mark the level of the index indicative if it believes that circumstances prevent the proper calculation of the index.

If prices are cancelled, the index will not be recalculated unless the Compiler decides otherwise.

If the index remains in pre-opening phase during the entire trading session, the last published pre-opening level of the index will be used as the official closing level of the index for that day. In such cases, the Compiler will not calculate an official opening level for the index.

3.3 ANNOUNCEMENT POLICY

3.3.1 Announcement policy

Changes to the index, its components or its rules will be announced by an index announcement which will be published electronically.

As a rule the announcement periods that are mentioned underneath will be applied. However, urgent treatments or late notices may require the Compiler to deviate from the standard timing.

3.3.2 Inclusion of new constituents

The inclusion of companies in the index will take place effective the fourth trading day after the announcement of their changing of sector classification. IPOs are included on the fourth trading day.

3.3.3 Corporate actions

The inclusion or removal of companies and other changes will be announced on a daily basis on the day before the changes are effective.

3.3.4 Rule changes

Barring exception, a period of at least two months should pass between the date a proposed change is published and the date this comes into effect. Exceptions can be made only if the change is not in conflict with the interests of an affected party.

3.3.5 Supervisor decisions

All decisions will be published without delay following the decision (after market close).

4. CALCULATION

4.1 CALCULATION OF THE PRICE INDEX

The index is calculated on a price return index basis. The calculation of the price return index is based on the current capitalization divided by the divisor. The divisor was determined on the initial capitalization base of the index and the base level. The divisor is adapted as a result of corporate actions and composition changes.

4.2 CURRENCY CONVERSION

The base currency of the index is Euro ("Base Currency").

Share prices that are quoted in other currencies than the Base Currency will be converted to the Base Currency using the last known exchange rate observed on Reuters. Closing prices will be converted based on the most recent WM/Reuters spot rates, which are published each business day around 17:00 CET.

4.3 TOTAL RETURN INDEX CALCULATION

4.3.1 Return indices

The index is calculated as price return index only.

5. INDEX REVIEWS

5.1 GENERAL AIM AND FREQUENCY OF REVIEWS

5.1.1 General aim of the periodical review

The general aim of the periodical review of the index is to ensure that the selection and weighting of the constituents continues to reflect the underlying market or market segment it represents.

5.1.2 Effective date of reviews

The index is rebalanced to equal weight annually effective the first trading day of April.

5.2 ANNUAL REBALANCE

5.2.1 Excluded companies

Companies that have a market capitalisation below 10 mln Euro at the close of the penultimate trading day of March will not be included at the effective date of the review.

5.2.2 Inclusion and re-inclusion of companies

Eligible companies that have a market capitalisation of at least 10 mln Euro at the close of the penultimate trading day of March will be included at the effective date of the review.

5.3 WEIGHTING

5.3.1 Weighting in shares

The weighting of each stock included in the index is determined by its current number of shares and a capping factor. The number of shares is based on the total number of listed shares of the listed share category (on Euronext) that is included in the index.

5.3.2 Free Float

Not applied for this index.

5.3.3 Capping

The capping factor of each constituent is based on the composition of the index in combination with the closing prices of the penultimate trading day before the rebalancing is effective.

The capping factors are calculated such that each constituent will have an equal weight in the index. Capping factors will vary around 1, as the average market capitalisation is taken as the starting point for the determination of the capping factors.

6. CORPORATE ACTIONS

6.1 GENERAL

The index may be adjusted in order to maintain the continuity of the index level and the composition. The underlying aim is that the index continues to reflect as closely as possible the value of the underlying portfolio.

Adjustments take place in reaction to events that occur with constituents in order to mitigate or eliminate the effect of that event on the index.

6.2 ADDITION AND REMOVAL OF CONSTITUENTS

6.2.1 Newly listed companies

Newly introduced companies that qualify based on their sector classification and that have a market capitalisation of at least 10 mln at the close of the second trading day Euro will be included in the index effective the fourth trading day.

6.2.2 Companies reclassified to Health Care Equipment & Services

Companies that qualify because of a change in their sector classification will be included in the index effective the fourth trading day after the announcement of the classification change.

6.2.3 Constituent companies reclassified to other classifications than Health Care Equipment & Services

Companies that do not qualify anymore because of a change in their sector classification will be removed from the index effective the fourth trading day after the announcement of the classification change.

6.2.4 Mergers and takeovers

In case of a takeover that is paid primarily in shares the constituent may be replaced by the acquiring company provided that the new company still qualifies for inclusion in the Universe. Such replacement will take place in accordance with the ratio of the bid.

6.2.5 Delistings, suspensions and company distress

Constituents which are delisted will be removed from the index.

The company will be deleted from the index based on either the last known price established during regular daytime trading or else a price determined by the Compiler, whereby the company may also be deleted at EUR 0.

6.2.6 Pricing sources

In the event that the trading in shares is suspended, the last known price established during regular daytime trading will be used.

6.3 SPLIT UP / SPIN-OFF

In the event that a company included in the index is split up, the companies resulting from the split, including the original company where appropriate will continue to be included in the index providing they still qualify as an eligible company in their own right. The index may then temporarily consist of fewer than, or more than the normal number of companies until the next periodical review takes place.

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.

In case the shareholder of the company which was originally included in the index does not automatically receive shares in a company which is created as a result of the split up, this company is considered to be a newly listed company.

The removal of any non-qualifying company resulting from a split up will take place after the close of the first day of trading in the shares of that company. If all companies resulting from the split are to be removed, the removal will take place at the close of the last trading day before the split.

6.4 EARLY INCLUSION OF NON-CONSTITUENTS

As a rule newly listed companies that fulfil the selection criteria are included in the index effective the fourth trading day after the admission to listing. The capping factor will be determined based on the closing prices of the second trading day such that the newly listed company will be given the average percentage weight (100% /new number of constituents). This procedure will also be followed in case of companies that are added following a change in the classification.

6.5 DIVIDENDS

6.5.1 Distinction ordinary and special dividend

The price return index that is the basis for the index will be adjusted for dividends that are special.

The following criteria will be applied to decide whether a dividend should be considered a special dividend:

- a) The declaration of 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, no adjustment will be made 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.

6.5.2 Adjustment for special dividend

The adjustment of the price return index takes place by a reduction of the closing price of the share in question. Subsequently the divisor will be adapted in order to maintain the index level. The adjustments will be based on gross amounts.

6.6 RIGHTS ISSUES AND OTHER RIGHTS

In the event of a rights issue the index is adjusted based on the value of the rights only. The divisor will be adapted in such a way that the level of the index remains the same.

The index will be adjusted only if the rights represent a positive value.

The index will also be adjusted if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders or similar situations.

6.7 BONUS ISSUES, STOCK SPLITS AND REVERSE STOCK SPLITS

For bonus issues, stock splits and reverse stock splits, the number of shares included in the index will be adjusted in accordance with the ratio given in the corporate action. The divisor will not be changed because of this. The Compiler may regard a bonus issue as the issue of an entitlement in lieu of an ordinary dividend and therefore treat this in accordance with 6.5.1.

6.8 CHANGES IN NUMBER OF SHARES OR FREE FLOAT

Changes in the number of shares listed will be reflected in the index immediately. If newly listed shares aren't fungible with the existing shares, the inclusion will be delayed until they are.

As the shares are fungible when added, the new shares will be added using the closing price of the existing shares.

7. INDEX CALCULATION FORMULAS

The general formula for the **price index** is:

$$I_t = \frac{\sum_{i=1}^N Q_{i,t} F_{i,t} f_{i,t} C_{i,t} X_{i,t}}{d_t}$$

Where:

- t Time of calculation
- N Number of constituent equities in index
- $Q_{i,t}$ Number of shares of equity i included in the index on day t
- $F_{i,t}$ Free Float factor of equity i ¹
- $f_{i,t}$ Capping factor of equity i ¹
- $C_{i,t}$ Price of equity i on t
- $X_{i,t}$ Current exchange rate on t ¹
- d_t Divisor of the index on day t

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:

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

Where:

- N Number of constituent equities in index
- g_i The announced dividend per share of the i^{th} component stock (for net return index withholding tax is deducted from this dividend);
- w_i The weighting of the i^{th} component stock in the index, based on number of shares included in the index, Free Float factor, capping factor and exchange rate;
- d Divisor of the index.

The second step of the calculation uses the figures calculated in step one (XD adjustment). The dividend is assumed to be reinvested at the close of the ex-date.

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

Where:

- TR_{t-1} : Total return index value yesterday;
- TR_t : Total return index value on t;
- IV_{t-1} : Underlying price index yesterday;
- IV_t : Underlying price index on t;

¹ Factor is equal to 1 if not applied for the index

8. DEFINITIONS

8.1 COMPILER

Committee of Euronext officials appointed by Euronext.