



## **RULES OF PROCEDURE FOR THE PSI COMMITTEE**

Version 14-01

Effective from 1 June 2014

[indices.euronext.com](http://indices.euronext.com)

## **1. Steering Committees of Euronext Indices**

The Steering Committees of the Euronext indices are established in accordance with the relevant Index Rules, as independent groups of experts responsible for periodical reviews of the indices. Periodical reviews are conducted on the basis of selection methods laid down in the relevant Index Rules, as approved by the relevant Steering Committee and amended from time to time. These Rules of Procedures govern the Steering Committees principles and best practises, and contain a more detailed description of certain procedural aspects.

## **2. Composition**

- 2.1 The PSI Committee shall consist of three natural persons who are not employed by Euronext or any of its affiliates. The members of the PSI Committee shall each have one vote.
- 2.2 The composition of the PSI Committee shall be such that the expertise reflects the needs of index investors, the trading community, capital markets, and the public at large.
- 2.3 Members of the PSI Committee shall be appointed by Euronext for a period of 3 years. Re-appointments and replacements will take place in consultation with the incumbent PSI Committee members.

## **3. Scope of responsibilities**

- 3.1. The PSI Committee is responsible for conducting the periodical reviews of the indices shown in the attachment to these Rules of Procedures. In doing so, the PSI Committee shall act on the basis of the Index Rules and, in cases not covered, in the spirit of the Index Rules. In performing its duties the PSI Committee shall be guided by the best interests of index investors, the trading community, capital markets, and the public at large.
- 3.2 Changes or refinements to the Index Rules relating to constituent methodology of the index, including selection, ranking and weighting, are subject to approval of the PSI Committee. Changes or refinements to Index Rules pertaining to operational management of the index, including calculation, dissemination, opening kinematics and corporate actions are not subject to approval, but can be put forward to the PSI Committee for advice, at the discretion of Euronext.

## **4. Meetings, decision-making and quorum**

- 4.2 PSI Committee meetings take place quarterly, half-yearly or annually as the case may be, and in line with the review cycle of the index. Additional meetings may be scheduled whenever the PSI Committee deems necessary, or at the request of Euronext. Meeting dates are set by Euronext in consultation with the PSI Committee members.
- 4.3 Meetings are chaired by a representative of Euronext. Other Euronext representatives will attend PSI Committee meetings as experts of the subject matter. None of the Euronext representatives will have voting rights.

- 4.4 Meeting materials are prepared by Euronext and shall be distributed at least 3 working days before the meeting, save for exceptional circumstances. The preferred means of distribution of materials is email.
- 4.5 PSI Committee members may grant a power of attorney to fellow PSI Committee members to vote by proxy. Decision-making requires at least 50% of the voting-rights being represented in the meeting, in person or by proxy.
- 4.6 Where necessary, Euronext may solicit and receive decisions or recommendations in between meetings, by telephone, email or any other medium. Decision-making requires at least 50% of the voting-rights being exercised.

## **5 Conflicts of interest**

- 5.1 Members of the Steering Committee shall avoid any conflicts of interest between the work related to Euronext's indices and their own direct or indirect personal or material interests. Each member shall immediately report any potential or actual conflict of interest to Euronext.
- 5.2 In cases where Euronext establishes that a potential or actual conflict of interest exists, it may take appropriate action against the relevant Steering Committee member(s), including but not limited to restriction of voting rights, suspension or dismissal.

## **6 Confidentiality**

- 6.1 All matters discussed and all information provided to the PSI Committee in the context of the work related to Euronext's indices shall be treated as confidential. PSI Committee members may not use any of this knowledge and information for other purposes than the performance of their duties as PSI Committee members, except if and insofar this information is available in the public domain.

## **7 Governing Law & Jurisdiction**

- 7.1 These rules shall be governed by and construed in accordance with the laws of Portugal.
- 7.2 The Lisbon Civil Courts shall have exclusive jurisdiction over any disputes arising from or in connection with these Rules of Procedure.