



# INDEX RULE BOOK

**Euronext 100 Index<sup>®</sup>**

**Next 150 Index<sup>®</sup>**

Version 20-01

Effective from 15 May 2020

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

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## 1. INDEX SUMMARY

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| <b>Factsheet</b>                        | <b>Euronext index family</b>   |
|---|--|
| <b>Index names</b>                      | Euronext 100 Index® and Next 150 Index®  |
| <b>Index type</b>                       | Price indices; Gross return index versions are also available.   |
| <b>Index governance structure</b>       | Euronext acts as the Supervisor and Compiler and is responsible for the day-to-day management of the index.  |
| <b>Eligible stocks</b>                  | Companies admitted to listing on Euronext.   |
| <b>Selection</b>                        | The selection is based on the ranking on market capitalisation of companies from the Universe that fulfil the velocity criterion of 20%.   |
| <b>Number of constituents</b>           | 100 and 150  |
| <b>Weighting</b>                        | Based on market capitalization.  |
| <b>Capping</b>                          | 10%  |
| <b>Review of composition</b>            | Semi-annual, effective on the first trading day of May and November.<br>The Compiler may decide to add a newly listed company immediately after the passing of one full calendar month of trading provided that the market capitalisation ranks among the top half of the index and that sufficient liquidity is expected. |
| <b>Review of free float and capping</b> | n.a. / semi annual   |
| <b>Review of number of shares</b>       | daily  |
| <b>Base Currency</b>                    | Euro   |

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

## Reference Data

| Index name             | Isincode     | Mnemo | Bloomberg Code | Reuters code | Base date | Base value | Publication since |
|------------------------|--------------|-------|----------------|--------------|-----------|------------|-------------------|
| Euronext 100 Index®    | FR0003502079 | N100  | N100           | .N100        | 31-12-99  | 1000       | 02-10-00          |
| Euronext 100 Index® GR | QS0011224258 | N100G | N100G          | .N100G       | 31-12-99  | 1000       | 02-10-00          |
| Next 150 Index®        | FR0003502087 | N150  | N150           | .N150        | 31-12-99  | 1000       | 02-10-00          |
| Next 150 Index® GR     | QS0011224274 | N150G | N150G          | .N150G       | 31-12-99  | 1000       | 02-10-00          |

### Version Notes

20-01 Integration of ESG Disclosures

## **2. GOVERNANCE AND DISCLAIMER**

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### **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 100
- Next 150

### **2.2 SUPERVISOR**

Euronext acts as supervisor of the index (“Supervisor”). 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.

### **2.3 COMPILER**

Euronext is the compiler of the index (“Compiler”). 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.

### **2.4 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.

### **2.5 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.

### **2.6 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.

### **2.7 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 100 Index® and Next 150 Index® are registered trademarks of Euronext.

## **3. PUBLICATION**

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### **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 Euronext 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.

### **3.3 ANNOUNCEMENT POLICY**

The announcement policy is described in the Euronext Indices Announcement policy document that is available on [indices.euronext.com/index-rules](https://indices.euronext.com/index-rules).

## 4. CALCULATION

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### 4.1 CALCULATION OF THE PRICE INDEX

The index is calculated on a price return basis. The calculation is based on the current market 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

A gross total return index is calculated and disseminated at the same frequency as the price index. The return indices are obtained by reinvesting gross dividends.

#### 4.3.2 Ordinary dividends in shares

If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the return index will be reinvesting a cash equivalent of the dividend. If shareholders may choose between cash or shares the amount which is reinvested will be based on the cash option.

#### 4.3.3 Conversion of dividends declared in other currencies

If a dividend for a constituent is declared in another currency than the Base Currency of the index, then the Compiler will in first instance use the Base Currency amount if investors have the option to be paid in that currency. If the dividend amount is available only in currencies that deviate from the Base Currency, the Compiler will convert the dividend amount using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB.

## 5. INDEX REVIEWS

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### 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 semi-annual reviews become effective on the first trading day of May and November. Changes are implemented the day before, after the close.

### 5.2 INDEX UNIVERSE AND SELECTION PRINCIPLE

#### 5.2.1 Index Universe

The Universe of the index is defined as all companies that are admitted to listing on the main market of Euronext. Companies that have been removed from the index under rule 6.2 will be readmitted in the Universe 1 year after their removal. Newly listed companies must be admitted to listing at least 40 trading days before the Review Date (see 8. Definitions), unless they fulfil the criteria for early inclusion (see 6.4)

#### 5.2.2 Selection of constituents

The index constituents are selected among the companies included in the Universe that have a velocity of more than 20%. Velocity is calculated over the 12 month period up to the Review Date. If the company is listed less than 12 months, the calculation is based on extrapolation of the available period excluding the first 20 days of listing. The velocity will also be extrapolated if a major event like a takeover bid occurred based on the period after the event.

The review assessment dates are the last trading days of March and September.

#### 5.2.3 Selection for the Euronext 100

The selection is based on the ranking on market capitalisation of companies from the Universe that fulfil the velocity criteria. The 90 highest ranking companies are selected by definition, while the other 10 are selected from the companies ranked 91 up to and including 110 whereby current constituents are preferred over companies that do not form part of the current Euronext 100 index.

#### 5.2.4 Selection for the Next 150 index

The selection is based on the ranking on market capitalisation of companies in the Universe that are not part of the new selection of the Euronext 100 and that fulfil the velocity criteria. The 130 highest ranking companies are selected by definition, while the other 20 are selected from the companies ranked 131 up to and including 170 whereby current constituents are preferred over companies that do not form part of the current Next 150 index.

#### 5.2.5 Selected line

As only one listing – the most active one - is permitted per company, the listing representing the company's ordinary shares is generally used.

### 5.3 PERIODICAL UPDATE OF WEIGHTING

#### 5.3.1 Update of number of shares

The number of shares included in the index will be updated with the current number of shares listed on a daily basis.

#### 5.3.2 Capping

A maximum weighting of 10% is applied to each index constituent at the periodical review.

## 6. CORPORATE ACTIONS

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### 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 REMOVAL OF CONSTITUENTS

A constituent will be removed from the index if it has appeared that the liquid trading will be significantly affected due to a takeover, merger, bankruptcy or similar situations. In case of a takeover that is paid primarily in shares the constituent may be replaced by the acquiring company.

If a company is removed from the index, the divisor will be adapted to maintain the index level.

#### 6.2.1 Mergers and acquisitions, delistings, suspensions and company distress

A constituent will be removed from the index if it is delisted from Euronext. If a constituent is acquired based on a bid mainly in shares, the company may be replaced by the acquiring company provided that this company fulfils the basic criteria for inclusion in the universe.

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.

#### 6.2.2 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 standard number of constituents 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 are considered for inclusion in the index at the time of the periodical index rebalancing. However, the Compiler may decide to add a newly listed company immediately after the passing of one full calendar month of trading provided that the market capitalisation ranks among the top half of the index and that sufficient liquidity is expected. No current constituent will be removed when companies are added.

## **6.5 DIVIDENDS**

### **6.5.1 Distinction ordinary and special dividend**

The price 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 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 divisor of the index will be adjusted in such a way that the value of the index remains the same. The divisor will be adjusted on the basis of the theoretical value of the rights issue as calculated by the Compiler.

Adjustments shall be made 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

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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 <sup>1</sup>
- $f_{i,t}$  Capping factor of equity i <sup>1</sup>
- $C_{i,t}$  Price of equity i on t
- $X_{i,t}$  Current exchange rate on t <sup>1</sup>
- $d_t$  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  $i^{\text{th}}$  component stock (for net return index withholding tax is deducted from this dividend);
- $w_i$  The weighting of the  $i^{\text{th}}$  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:

- $\text{TR}_{t-1}$ : Total return index value yesterday;
- $\text{TR}_t$ : Total return index value on t;
- $\text{IV}_{t-1}$ : Underlying price index yesterday;
- $\text{IV}_t$ : Underlying price index on t;

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<sup>1</sup> Factor is equal to 1 if not applied for the index

## **8. DEFINITIONS**

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### **8.1 REVIEW DATE**

The cut-off date which is relevant for the assessment regarding inclusions and exclusions and for the determination of Free Float adjustment factors. The Review Date of the index is the last trading day of the month prior to the full month that passed before the review effective date. This means that when the review is effective after the first trading day of March, the review day will be the last trading day of January.

## 9. ESG DISCLOSURES

| EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY  |                             |
|--|-----------------------------|
| Item 1. Name of the benchmark administrator.   | Euronext Brussels           |
| Item 2. Type of benchmark  | Equity Benchmark            |
| Item 3. Name of the benchmark or family of benchmarks.   | <b>Euronext 100-150</b>     |
| Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?  | No                          |
| Item 5. If the response to Item 4 is positive, please find below the ESG factors that are taken into account in the benchmark methodology and how they are used for selection, weighting and exclusion                                     |                             |
| a) List of environmental factors considered:   | Not applicable              |
| b) List of social factors considered:  | Not applicable              |
| c) List of governance factors considered:  | Not applicable              |
| Item 6. Data and standards used.   |                             |
| a) Data input.<br><i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i><br><i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i> | Not applicable              |
| b) Verification of data and guaranteeing the quality of those data.<br><i>Describe how data are verified and how the quality of those data is ensured.</i>   | Not applicable              |
| c) Reference standards<br><i>Describe the international standards used in the benchmark methodology.</i>   | Not applicable              |
| Information updated on:  | 30 <sup>th</sup> April 2020 |