

# **INDEX RULE BOOK**

## **Euronext® Tech Croissance**

Version 20-02  
Effective from 15 May 2020  
[indices.euronext.com](https://indices.euronext.com)

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## 1. GENERAL

### 1.1 HIGHLIGHTS

Objective	The Euronext® Tech Croissance family is designed to reflect the price level trends in the trading of shares listed on Euronext Paris and on Euronext Growth Paris. Changes are made on quarterly basis.
Administrator	Euronext Paris is the Administrator of the Euronext® Tech Croissance family.
Supervisor	Euronext internal supervisor
Index Universe	The index universe consists of all companies in specific ICB subsectors listed on compartments B or C of Euronext Paris, or listed on Euronext Growth Paris.
Eligibility screening at reviews	Companies included in the Index Universe are screened on their market capitalization, as well as their ADTV. Companies with a full market cap between 25 million EUR and Billion EUR, and minimum ADTV of 10K EUR are eligible.
Selection basis	All eligible companies are selected in the index
Review Cut Off Date	Penultimate Friday of February, May, August and November.
Weighting basis	Full market cap weighted
Review frequency	Quarterly, after the market close of the third Friday of March, June, September and December.
Index family	Price Index; Net return Index, and Gross return Index.
Trademarks	Euronext N.V. or its subsidiaries (hereinafter jointly “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.

### 1.2 VERSION NOTES

Version	Effective date	New or changed parts
19-01	19 June 2019	First version
20-01	10 February 2020	Update to quarterly review
20-02	15 May 2020	Integration of ESG Disclosures and update for ICB classification definition changes

## 2. REFERENCE INFORMATION AND PUBLICATION OF INDEX LEVELS

### 2.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloomberg Code	Reuters code	Base date	Base value	Publication since	Type of index
Euronext Tech Croissance	FR0013425352	FRTPR	FRTPR Index	.FRTPR	30-12-2005	1000	19-06-2019	Price
Euronext Tech Croissance NR	FR0013425360	FRTEK	FRTEK Index	.FRTEK	30-12-2005	1000	19-06-2019	Net Return
Euronext Tech Croissance GR	FR0013425386	FRTGR	FRTGR Index	.FRTGR	30-12-2005	1000	19-06-2019	Gross Return

### 2.2 BASE CURRENCY

All Indices have Euro as their Base Currency.

### 2.3 PUBLICATION OF INDEX LEVELS

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 CET until Euronext Markets stop regular daytime trading on the days when the Euronext Markets are open for trading.

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.

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

### **3. INDEX REVIEWS**

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#### **3.1 REVIEW FREQUENCY AND RELEVANT DATES**

The Review Cut-Off Date is after the market close of the penultimate Friday of February, May, August and November.

The Review Effective Date is after the market close of the third Friday of March, June, September and December.

The Review Composition Announcement Date is at least two days before the Review Effective Date.

## 3.2 SELECTION STEPS

### 3.2.1 Step 1: Index Universe

The index universe consists of all companies in specific ICB Sub-Sectors listed on compartments B or C of Euronext Paris, or listed on Euronext Growth Paris. Companies classified in the following ICB Sub-Sectors are eligible:

ICB Sub-Sector Code	ICB Sub-Sector
40301020	Media Agencies
10102030	Computer Hardware
20103015	Pharmaceuticals
65101010	Alternative Electricity
20103010	Biotechnology
40301030	Publishing
40203045	Toys
10101015	Software
10101010	Computer Services
65103035	Waste & Disposal Services
15102010	Cable Television Services
20102015	Medical Supplies
50202025	Electronic Equipment: Gauges & Meters
20102010	Medical Equipment
60102020	Renewable Energy Equipment
50204000	Machinery: Industrial
55201020	Specialty Chemicals
60102010	Alternative Fuels
10102015	Electronic Components
50201010	Aerospace
10102010	Semiconductors

10101010	Computer Services
10101015	Software
10101020	Consumer Digital Services
40401020	Apparel Retailers
15101010	Telecommunications Equipment
10101020	Consumer Digital Services

### 3.2.2 Step 2a: Eligibility screening at reviews: market capitalization

From the companies in the universe only companies with a full market cap between 25 million EUR and 1 Billion EUR on the Review Cut-Off Date are eligible.

### 3.2.3 Step 2b: Eligibility screening at reviews: Turnover

From the companies in the universe only companies with an average daily Turnover higher than 10,000 EUR , calculated over the full 12 months up till and including the Review Cut-Off Date , are eligible for inclusion in the Index.

### 3.2.4 Step 3: Selection of constituents

All eligible companies are selected

## **4. PERIODICAL UPDATE OF WEIGHTING**

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### **4.1 WEIGHTING FACTORS**

The index calculation of this index is based on the full market capitalization

For this index only the Number of Shares is relevant.

At the reviews, the number of shares included in the index will be updated with the number of shares listed on the Review Cut-Off Date, taking into account adjustments due to Corporate Actions as described in Chapter 5.



## 5. CORPORATE ACTIONS

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### 5.1 EVENTS THAT CHANGE THE COMPOSITION

#### Mergers and acquisitions

##### Acquisitions in cash

In the event of a bid in cash, the target company will be removed from the index. The removal will take place after the close of the first (full) business day after the offer is declared unconditional or successful. If a company is removed from the index, the divisor will be adapted to maintain the index level.

##### Mergers and takeovers in shares

In the event of a merger, acquisition or similar situation where the bid is made in the form of shares, the constituent will be replaced by the newly formed company, provided that this company is included in the Index Universe defined in the index reviews section. The replacement will take place after the close of the first (full) business day after the offer is declared unconditional or successful. The replacement of the shares of the relevant index constituent by the shares of the newly formed company will be executed on the basis of the bid ratio.

##### Mixed transactions

In case of a mixed bid of cash and shares the Administrator will treat the bid as a share bid if the share part amounts to at least 75% of the offer price, on the day of the publication of the terms of the offer. The replacement of the shares of the relevant index constituent by the shares of the company that continues to be traded will be executed on the basis of the bid ratio. The divisor will be adapted only for the cash part of the offer price.

##### Continued inclusion or specific treatments

The Administrator reserves the right to apply a specific treatment in non-standard situations including but not limited to:

- Competing bids with differing closing dates or structures;
- Offers made without the intention to gain full control.

In case of a specific treatment a separate announcement detailing the specific treatment will be issued timely to the market.

##### Inclusion of new companies

As a rule newly listed companies are considered for inclusion in the index at the time of the periodical index review.

## **Suspensions, Company distress and Delistings**

### **Suspension**

If a constituent is suspended, the Administrator will consider whether the constituent should be removed or not within 12 months. If it is decided to maintain the constituent a further reassessment date will be set. The Administrator reserves the right to take action before that date if new developments give reason to do so.

In case a constituent is removed following suspension, it will be removed from the index as soon as possible and on a day announced by the Administrator. The company will be removed from the index after the close of the markets assuming a price of zero unless the Administrator sets a different price, where possible supported by an objective source.

If it has been announced that a constituent will be delisted from the relevant market, it will be removed from the index as soon as possible and on a day announced by the Administrator. The company will be removed from the index based on either the last known price established during regular daytime trading or on a price determined by the Administrator, whereby the company may also be removed at a price of zero.

Removing assuming a price of zero implies no divisor change because of the removal. If another price is set, the divisor will change based on the removal of the value of that company from the index portfolio when applying that price.

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

### **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 it is included in the Index Universe defined in the index reviews section.

For the purposes of these rules a split up is taken to mean a legal demerger, a spin-off or another situation which the Administrator 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.

In case a company resulting from the split up will not be admitted to listing on a main market in one of the countries that are included in the index, the Administrator will select an appropriate price source for the calculation of the index and the removal of the spun off company on the first trading day after the spin off.

## 5.2 EVENTS THAT CHANGE THE WEIGHTING FACTORS

### Dividends

#### Criteria for determining special dividends

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.

#### 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.

#### 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.

#### 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 Administrator 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 Administrator 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.

#### 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 Administrator may regard a bonus issue as the issue of an entitlement in lieu of an ordinary dividend and therefore treat this as a dividend.

#### Rights issues and other rights

In the event of a rights issue the new shares will be included in the index on the ex-date of the rights issue

and an adjusted closing price will be applied as calculated by Index Operations. The adjustment will be made based on the shares currently in the index. The divisor will be adapted in such a way that the level of the index remains the same.

The new shares are only added if less than 0.4 share is issued for every share that is currently held and if the new shares are fungible with the existing line of shares (e.g. no dividend disadvantage). Otherwise the index is adjusted based on the value of the rights only

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. If the value cannot be attributed straightforward, Index Design may also decide to include the detached instrument for one day and adjust the index at the close based on the closing price for that subscription right on that day.

#### **Partial tender offers on own shares**

The Administrator will adjust the divisor of the index if the premium represents more than 5% of the share price of the close on the penultimate day before the ex-date (the day prior to the last day before the ex-day). The premium is calculated as the difference between the offered price and the closing price, multiplied by the percentage of the share capital targeted in the offer. If the divisor is adjusted, the number of shares in the index will be adjusted as well.

## 6. 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 <sup>th</sup> component stock (for net return index withholding tax is deducted from this dividend);
$w_i$	The weighting of the i <sup>th</sup> 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.

$$TR_t = TR_{t-1} \left( \frac{IV_t + XD}{IV_{t-1}} \right)$$

Where:

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

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

## 7. DEFINITIONS

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### 7.1 REVIEW DATES

The **Review Cut-Off Date** is the date on which, after the market close, relevant data are gathered that will serve as basis for the periodical review of the index.

The **Review Composition Announcement Date** is the date on which, after the close, the full details are announced regarding the index composition that will come into effect after the review effective date. This includes numbers of shares, free float factors and capping factors of all companies included in the new index portfolio.

The **Review Effective Date** is the date on which, after the market close, the changes relating to the periodical review are being effectuated in the index portfolio.

### 7.2 TURNOVER

Regulated Turnover consists of value of turnover traded via the Euronext electronic order book as well as the value of turnover from off-exchange transactions within the scope of Euronext's regulatory environment, such as block trades and the like.

If a company's value of Regulated Turnover is not available for the entire relevant period, the available value of Regulated Turnover will be extrapolated to the entire relevant period. In such cases, the value of Regulated Turnover during the first twenty trading days that the company was admitted to listing on Euronext will be ignored.

## 8. 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 Paris
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	<b>Euronext Tech</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. <i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i> <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. <i>Describe how data are verified and how the quality of those data is ensured.</i>	Not applicable
c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i>	Not applicable
Information updated on:	30 <sup>th</sup> April 2020