

INDEX RULE BOOK

High Dividend Indices

CAC[®] High Dividend NR Index

AEX[®] High Dividend NR Index

BEL[®] High Dividend NR Index

PSI[®] High Dividend NR Index

Version 20-01

Effective from 15 May 2020

indices.euronext.com

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1. INDEX SUMMARY

Factsheet	High Dividend Indices
Index names	CAC® High Dividend NR AEX® High Dividend NR BEL® High Dividend NR PSI® High Dividend NR
Index type	Net return index.
Underlying Index	CAC 40®, AEX, BEL 20®, PSI 20®
Index governance structure	The indices are based on the selection of the underlying index, which is under supervision of an independent steering committee. Euronext acts as the Compiler and is responsible for the day-to-day management of the index.
Eligible stocks	Companies included in underlying index after the March review.
Selection	Companies with highest dividend yield. Dividend yield is defined by the ratio of dividend to the cum-date close price. The selection is based on the past calendar year dividends
Number of constituents	CAC HD 20, AEX HD: 12, BEL HD: 10, PSI HD: 10
Weighting	Weighted based on dividend yields, annually rebalanced
Capping	15%
Review of composition	Annually
Rebalancing	Annually
Review of number of shares	n.a.
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
CAC® High Dividend NR	QS0011115266	CACHD	CACHD	.CACHD	31-12-07	100	03-04-08
AEX® High Dividend NR	QS0011115274	AEXHD	AEXHD	.AEXHD	31-12-07	100	03-04-08
BEL® High Dividend NR	QS0011115282	BELHD	BELHD	.BELHD	31-12-07	100	03-04-08
PSI® High Dividend NR	QS0011115290	PSIHD	PSIHD	.PSIHD	31-12-07	100	03-04-08

Version notes:

20-01 Integration of ESG Disclosures

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”):

- CAC High Dividend NR
- AEX High Dividend NR
- BEL High Dividend NR
- PSI High Dividend NR

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. AEX®, AEX-Index®, CAC®, CAC 40®, BEL®, BEL 20®, PSI® and PSI 20® are registered trademarks 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 official opening level is the first level published after a share price is available for all constituents. Index levels published before the official opening level is published are considered pre-opening index levels.

If, for whatever reason, share prices are not available for all constituents five minutes after Euronext Markets (as defined in the Euronext harmonised rule book) started regular daytime trading, the official opening level will be published as soon as the companies whose share prices are available of the current trading day represent at least 80% of the value of the index at the close of the previous trading day.

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.

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

The announcement policy is described in the Euronext Indices Announcement policy document that is available on indices.euronext.com/index-rules.

4. CALCULATION

4.1 CALCULATION OF THE PRICE INDEX

The index is calculated as a net total return index with a price return index as 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 net total return index based on calculation of a price return index and reinvestment of the net dividends. See Chapter 7. Index Calculation Formulas.

4.3.2 Withholding tax rate

The net dividend is calculated as the gross dividend minus the applicable withholding tax. A table detailing the percentages that are applied is available on the website of Euronext.

4.3.3 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.

4.3.4 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

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 reviews become effective on first trading day of April (annual reviews). Changes are implemented the day before, after the close.

5.2 INDEX UNIVERSE AND SELECTION PRINCIPLE

5.2.1 Selection

At each periodical review the companies that are included in the underlying Blue Chip index are selected for the index.

The selection and weighting of each company in the High Dividend indices shall be determined on the basis of the dividend yields observed over the previous calendar year.

The compiler may propose to the supervisor to exclude at the annual review companies that have announced important changes to their dividend policy, such that no dividend payment is to be expected or may propose to include companies that exceptionally did not pay dividend in the previous calendar year.

5.2.2 Selection criteria

- a. The selection of the companies included in the High Dividend indices will be adjusted periodically on the basis of the net dividend yield as observed over the previous calendar year.
- b. In order to qualify for inclusion in the index the company should be included in the related Blue Chip index at the time of the review.
- c. If a company has been involved in a merger, acquisition or split, its net dividend for calculating the net dividend yield will be adjusted as appropriate. For the purposes of these rules a merger or acquisition is taken to mean a situation in which the shares in the companies concerned are exchanged for shares in the company resulting from the merger.
- d. In the event of a spin-off, a split-up or a similar corporate event, the net dividend yield before the corporate event will be assigned to the companies resulting from the corporate event. For the purposes of these rules a spin-off is taken to mean a situation in which the shares in the companies concerned are exchanged for shares in the company resulting from the spin-off. The net dividend yield will not be assigned if a division of a company is sold, either privately or otherwise.

5.2.3 Selection procedure

Procedure for the periodical selection of index constituents:

1. A list is drawn up of all companies included in the blue chip indices including companies that will be included on or before the third Friday of March and excluding companies that will not be part of the Blue Chip indices on or after the third Friday of March.
2. The net dividend yield of each company with regard to the previous calendar year is calculated. Net dividend is defined as the gross dividend less the withholding tax. The yield is determined by dividing the net

dividend by the last observed closing price before going ex-dividend. Special dividends are not taken into account.

3. If a company has paid more than one dividend during the year, the net dividend yield is calculated as the weighted average yield. The weighted average yield is calculated as the sum of the net dividend amounts (in EUR) divided by the weighted average closing price before going ex-dividend with the net dividend amount as weighting factor.
4. The ranking according to decreasing net dividend yield of these companies is determined.
5. The highest ranking companies are selected for each High Dividend index. For the CAC HD index the 20 highest ranking companies are selected. For the AEX HD the 12 highest ranking companies are selected. For the BEL HD index as well as the PSI HD index the 10 highest ranking companies are selected.

5.2.4 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 weighting in shares

The weightings in shares of the constituents are determined each year. The new weightings are calculated on the basis of the relative net dividend yield of the constituents as observed over the previous calendar year. The weighting of a constituent in the High Dividend indices at the time of the revision may not exceed 15%.

The new weighting of each constituent, is expressed in terms of the number of the constituent's shares in the basket of shares of the index. This number is generally rounded to the nearest whole number.

The closing prices on the third Friday of March are used to calculate the numbers of shares in the index baskets. However operational adjustments which occur in the time period between the selection and the effective date of adjustment may be taken into account.

5.3.2 Free Float

Not applied for this index.

5.3.3 Capping

Not applied for this index; the maximum of 15% is expressed in the number of shares (see 5.3.1).

5.3.4 Companies added at the quarterly review

Not applied for this index.

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 REMOVAL OF CONSTITUENTS

Constituents which are removed from an underlying Blue Chip index will be removed simultaneously from the index.

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

6.2.1 Mergers and acquisitions

If the effect of a merger or takeover is that one constituent is absorbed by another constituent the resulting company will remain a constituent of the index. If the merger offer takes place in the form of shares, the shares of the target will be replaced by the shares of the acquirer in accordance with the terms of the offer, unless the acquirer won't be included in the underlying Blue Chip index.

Companies which are added to the composition of the underlying Blue Chip index or which are re-entered after a temporary removal, will not be added to the index until the next periodical review.

6.2.2 Delistings, suspensions and company distress

Constituents which are removed from an underlying Blue Chip index will be removed simultaneously 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.

6.2.3 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 are considered for inclusion in the index at the time of the periodical index rebalancing.

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 of the underlying price return index 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 of the underlying price return index 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

Not applied for this index.

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 INDEX STEERING COMMITTEE

Committee consisting of independent persons which acts as supervisor to the (underlying) index and to which all decisions regarding supplementing, amending, revising or withdrawing these rules are submitted for approval. The composition and responsibilities of the Index Steering Committee are laid down in the Rules of Procedure document that is available on the website www.euronext.com.

8.2 COMPILER

Committee of Euronext officials appointed by Euronext.

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 Paris
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	CAC-HD
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 th April 2020

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	Euronext Amsterdam
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	AEX-HD
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 th April 2020

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.	BEL-HD
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 th April 2020

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	Euronext Lisbon
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	PSI-HD
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 th April 2020