



RULES OF PROCEDURE FOR THE PSI COMMITTEE

Version 002

Effective from 1 February 2020

indices.euronext.com

1. Independent Supervisors: 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 Independent Supervisor and amended from time to time. These Rules of Procedures govern the Committee's principles and best practises, and contain a more detailed description of certain procedural aspects.

2. Composition

- 2.1 The PSI Committee shall consist of at least three and no more than eight 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. The members of the PSI Committee shall inform Euronext about major updates of their CV.
- 2.3 Members of the PSI Committee shall be appointed by Euronext for a period of 3 years. Appointments, Re-appointments and replacements will take place in consultation with the incumbent PSI Committee members.
- 2.4 The Steering Committee will be chaired by a Euronext representative i.e. the country relevant CEO ("the Chairman") and shall have no voting rights. A representative of Euronext (Index Design) will act as secretary of the PSI Committee.
- 2.5 Committee Members shall be approved and appointed by the Chairman using a skills assessment based on their specialist knowledge and ability to represent the interests of stakeholders.
- 2.6 Committee Members will be offered an induction and all committee members will be offered ongoing training and support to ensure skills and relevant knowledge are up to date.

3. Scope of responsibilities

The responsibilities of the Independent Supervisor include the following:

- 3.1 Review and approve the periodical reviews of the indices within the scope of the Independent Supervisor. In doing so, the Independent Supervisor shall act on the basis of the rules of the index family and, in cases not covered, in the spirit of these rules. In performing its duties the Independent Supervisor shall be guided by the best interests of index investors, the trading community, capital markets, and the public at large.
- 3.2 Reviewing decisions regarding Corporate Actions that affect the selection of indices.
- 3.3 Giving approval to a new rulebook that falls under their responsibility or proposed changes or refinements to an existing Rulebook relating to constituent methodology of the index, including selection, ranking and weighting.

- 3.4 Providing advice, at the request of Euronext, regarding operational management of the index, including calculation, dissemination and corporate actions.
- 3.5 Approve the cessation of any index that is under their responsibility (following a consultation procedure).
- 3.6 Reviewing the index methodology on an annual basis. This review will be tabled for the agenda of the meeting of the Committee that is held on the occasion of the annual review of the composition of the indices.

4. Meetings, decision-making and quorum

- 4.1 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. As a rule the PSI Committee meets on the Wednesday before the second Friday of the month where a review comes into effect.
- 4.2 Meetings are chaired by a representative of Euronext. In case of non-availability the Chairman may appoint another Euronext official to chair the meeting. Other Euronext representatives will attend PSI Committee meetings as experts of the subject matter. None of the Euronext representatives will have voting rights.
- 4.3 Meeting materials are prepared by Euronext and shall be distributed at least 1 working day before the meeting, save for exceptional circumstances. The preferred means of distribution of materials is email.
- 4.4 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.
- 4.5 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.
- 5.3 Members must complete the Steering Committee Member Declaration and present it to the Chairman of the Committee prior to their appointment and on 1 January each year thereafter. The Declaration should be updated immediately at other times if a conflict of interest arises or the member has new interests to disclose.

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.

8. Review of document

- 8.1 These rules will be reviewed on an annual basis by Index Design or more frequently if required and submitted to the Committee members for approval. The Benchmark Oversight Committee will monitor the current versions and discuss these with National Competent Authorities if necessary.

9. Version notes

Version	Date	Changes
14-01	June 2014	Initial version
002	Feb 2020	Alignment with Reference document Governing bodies; adding standard meeting dates and annual review of index methodology; including annual Conflicts of Interest declaration; changing the number of members from three to at least three and maximum eight.