

Ground Rules for the Management of the FTSE NORDIC 30 Index

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Section 1

1.0 PURPOSE OF INDEX

- 1.1 The FTSE NORDIC 30 Index is designed to represent, with a portfolio of shares, the performance of the Danish, Finnish, Norwegian and Swedish Stock Exchanges in real time for the purpose of derivative trading.
- 1.2 The FTSE NORDIC 30 Index uses the universe of the FTSE All-World Index - Nordic Region .

Section 2

2.0 MANAGEMENT RESPONSIBILITIES

2.1. THERE ARE THREE GROUPS INVOLVED IN THE MANAGEMENT OF THE FTSE NORDIC 30 INDEX:

2.1.1 FTSE NORDIC Index Advisory Committee

2.1.2 FTSE

2.1.3 The Nordic Exchanges A/S (NORDIC)

2.2 FTSE NORDIC ADVISORY COMMITTEE

2.2.1 The Advisory Committee has been established by FTSE and the Nordic Exchanges Alliance to ensure that the management and ongoing operation of the FTSE NORDIC 30 Index is independent and transparent. The President of Nordic Exchanges A/S is ex-officio Chairman of the Advisory Committee. Each Exchange and FTSE nominate a representative on the Committee. Other members of the Committee are market practitioners representing the trading and investment community in the Nordic Region and the international investment industry.

2.3 The Committee meets at least twice a year to review and approve all constituent changes and to ensure that such changes are implemented in accordance with the Ground Rules. The Advisory Committee will also be responsible for ensuring that the Ground Rules follow best market practice and will review and approve all changes to the Rules.

2.4 NORDIC EXCHANGES A/S

2.4.1 Oslo Borse, OM Stockholm Exchange and OM London Exchange list futures and options contracts on the FTSE NORDIC 30 Index and are responsible for providing a platform for the trading and clearing of these Index contracts.

2.5 FTSE

2.5.1 FTSE is responsible for calculating and managing the Index including the implementation of corporate events and actions according to the ground rules. FTSE will present an audit report to the Advisory Committee twice per year. The Committee may recommend changes to the operation of the Index following consideration of the audit report. The Managing Director of FTSE will act as the Auditor to the Index.

Section 3

3.0 ELIGIBLE SECURITIES

- 3.1 All constituents of the FTSE All-World Index - Nordic Region are eligible for inclusion in the Index subject to conforming with Rules 3.2 to 3.6.
- 3.2 Where a company lists multiple lines of equity capital, only the line of stock having the largest turnover by value will be eligible.
- 3.3 Where a company's shares are issued partly, or nil paid and the call dates are already determined and known, the market price will, for the purposes of calculating its market capitalisation, be adjusted so as to include all such calls (i.e. the fully paid price).
- 3.4 Convertible preference shares and loan stocks will be excluded until converted.
- 3.5 Eligible securities are subject to investibility screens.
- 3.5.1 As all eligible constituents are members of the FTSE All-World Index - Nordic Region, the constituents have already had all All-World Index investibility screens (as defined in the FTSE All-World Index Ground Rules) applied in order to become eligible. Copies of the FTSE All-World Index Ground Rules are available from FTSE.
- 3.6 Liquidity - in order to be eligible for inclusion in the Index, securities (other than new issues) must have a velocity of 40% or more. Velocity is based on the previous six months trading and is defined as the total value of six months exchange turnover annualised and shown as a percentage of the full market capitalisation i.e. before the application of any investibility weightings, of the constituent on the review date (see Appendix B).

Section 4

4.0 INDEX QUALIFICATION CRITERIA

- 4.1 The companies in the FTSE All-World Index - Nordic Region are ranked by full market capitalisation i.e. before the application of any investibility weightings. The top thirty companies fulfilling all other criteria in these rules create the Index.

Section 5

5.0 PERIODIC REVIEW OF CONSTITUENTS

- 5.1 The Advisory Committee will meet semi-annually in April and October to review the constituents of the Index. The constituent reviews will be based on data collected after the close of the FTSE All-World Index - Nordic Region index calculation on the last trading day of March and September. Constituent changes will be implemented after the close of the index calculation on the third Friday in April and October.
- 5.2 The periodic review of constituents will be conducted using the following steps:
- 5.2.1 Use database of all constituents of the FTSE All-World Index - Nordic Region;
- 5.2.2 Apply all liquidity tests set out in these Ground Rules. If a constituent has multiple lines, both lines will be tested for liquidity and the most liquid line will be selected.
- 5.2.3 Rank all companies by full market capitalisation, i.e. before the application of any investibility weightings, amalgamating multiple lines if applicable, largest first and smallest last;
- 5.2.4 Existing constituents which have fallen to position 41 or below will qualify to be removed from the Index at the periodic review;
- 5.2.5 Non-constituents which have risen to position 20 or above will qualify to be included in the Index at the periodic review.
- 5.2.7 Where a greater number of securities qualify to be included in the Index than those qualifying to be removed, the lowest ranking securities presently included in the Index will be removed to ensure that the number of securities remains constant. Likewise, where a greater number of securities qualify to be removed from the Index than those qualifying for inclusion, the highest ranking securities which are presently not in the Index will be included to match the number of securities being removed at the periodic review.
- 5.2.8 The share and investibility weightings of an individual constituent will be the same as in the FTSE All-World Index.
- 5.2.9 After applying Rule 5.2.8, if a constituent accounts for more than 10% of the weight of the Index that constituent's weighting will be reduced to 10%. The weighting of the constituent will move freely between review dates.

Section 6

6.0 CHANGES TO CONSTITUENT COMPANIES OUTSIDE REVIEWS

6.1 REMOVAL AND REPLACEMENT

- 6.1.1 If a constituent ceases to be a constituent of the FTSE All-World Index - Nordic Region or has, in the opinion of the Chairman and Auditor of the Advisory Committee (or their nominated deputies), ceased to be a viable constituent as defined by these Ground Rules, it will be removed from the list of constituents and replaced by the highest ranking non-constituent security eligible as at the close of the index calculation on the day preceding the inclusion of the replacement security.
- 6.1.2 The removal and replacement are effected simultaneously, before the start of the index calculation on the day following the day on which the event justifying removal was announced. Announcements after close of the index calculation are normally deemed to be made on the following business day. In the case of a takeover, the qualifying event is an announcement that the offer has been declared wholly unconditional.
- 6.1.3 When a constituent is removed because it is no longer a member of the FTSE All-World Index, the removal will be concurrent with its removal from the FTSE All-World Index. Replacement will be with the highest ranking non-security eligible as at the close of the index calculation on the day preceding removal.

6.2 MERGERS, RESTRUCTURING AND COMPLEX TAKEOVERS

- 6.2.1 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, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking non-constituent security eligible as at the close of the index calculation on the day preceding the inclusion of the replacement security.
- 6.2.2 If a constituent company is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent security eligible. Any eligible company resulting from the take over will qualify to become the replacement company if it is ranked higher than any other non-constituent.
- 6.2.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents if their market capitalisation(s) are large enough to qualify, and if they qualify in all other respects.

Section 6

6.3 NEW ISSUES

- 6.3.1 If, in the view of the Advisory Committee, a new issue is so large (i.e. its full market capitalisation before the application of any investibility weightings amounts to 3.0% or more of the Index market capitalisation) that the effectiveness of the Index as a market indicator would be significantly and adversely affected by its omission, the Advisory Committee may decide to include the new issue as a constituent of the Index at the earliest practicable opportunity. In such a case, the timing of the inclusion of the new constituent will be at the discretion of the Advisory Committee. The security which is the lowest ranking constituent of the Index will be selected for removal.
- 6.3.2 New issues of companies which do not qualify for early entry, but which meet the criteria for eligible securities set out in Rule 3 will be eligible for inclusion in the next review.
- 6.3.3 The Advisory Committee may, at its discretion, defer the inclusion at a review of a new issue until the next review, or such other time as it may determine, if it has reason to believe that the security may not meet the liquidity criteria set out in Rule 3.6
- 6.3.4 If the Advisory Committee decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

6.4 SUSPENSION OF DEALING

- 6.4.1 Where a suspension of a constituent lasts beyond noon on the second day, the Chairman and Auditor will consult members of the Advisory Committee to consider whether the constituent should be removed. When a stock has been suspended for ten consecutive trading days (and the Committee has not exercised its discretion to remove it), it will be deleted from the Index on the eleventh trading day. When a stock is otherwise removed following suspension of its quote, the stock will be removed at its suspension price unless otherwise decided by the Advisory Committee.

Section 7

7.0 CHANGES TO CONSTITUENT WEIGHTINGS

- 7.1 For the purposes of computing the Index and to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the index system changes by more than 1% on a cumulative basis. Changes will be made quarterly after the close of business on the third Friday of March, June, September and December (subject to 7.2 and 7.3).
- 7.2 If a corporate action is applied to an index constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action.
- 7.3 If accumulated changes in the number of shares in issue add up to 10% or more, or when an accumulated share change represents USD 2bn of a company's total market capitalisation, they are implemented between quarters. A minimum of 4 days notice will be given to users of the index. WM/Reuters Spot Rates will be used to convert the market capitalisation into USD. The USD 2bn threshold may be adjusted annually in December, by the FTSE Equity Indices Committee. If an adjustment is made, it will be applied for the first time at the next review in March of the following year.

Section 8

8.0 AMENDMENTS TO THE GROUND RULES

- 8.1 Changes and exceptions to these Ground Rules can be authorised only by the Advisory Committee. In the event that the Advisory Committee or any of those responsible for the operation and administration of the Index consider that an exception should be made to any of the Ground Rules, the issue must be brought to the attention of the Chairman or Auditor (or their deputies), who will normally put the matter to the Advisory Committee for a decision. If, however, the matter is urgent, the Chairman and Auditor (or their deputies) are empowered to authorise an exception on behalf of the Advisory Committee but must immediately notify, and subsequently refer the matter to, a meeting of the Advisory Committee. Where an exception is granted to the Ground Rules, it shall not be deemed to create a precedent for future decisions of the Advisory Committee.

Section 9

9.0 PUBLICATION OF INFORMATION

- 9.1 FTSE, Oslo Borse, OM Stockholm Exchanges and OM London Exchange shall ensure that the following information is widely published:
- i. Index values (Capital and Total Return)
 - ii. List of constituents
 - iii. Changes to constituents
 - iv. Changes and amendments to the Ground Rules
 - v. Details of any recalculations or calculation amendments.
- 9.2 Constituent prices, weightings and other stock data together with statistics on the indices are available from FTSE.

Appendix A

INDICES ALGORITHM AND CALCULATION METHOD

1.0 PRICES

1.1 The Index will use Reuters 19:00 GMT spot rates to price securities.

2.0 CALCULATION FREQUENCY

2.1 The Index will be calculated every minute during the opening hours of the OM London using real time prices.

2.2 The Index will be calculated between 0900 and 1730 local Central European Time.

2.3 The Index will be calculated every minute.

3.0 INDEX CALCULATION

3.1 The Index will be displayed to one decimal point.

3.2 The Index will be calculated in Swedish Kroner in real time and in Euros at the end of day using the following formula:

The actual trade prices of non Swedish constituents are converted into Swedish Krona and the indices are then calculated using the algorithm described below.

$$\sum \frac{(X^n \cdot W^n \cdot f^n)}{d}$$

n = 1,2,3.....,n

x = the latest trade price of the component security in Swedish Krona (or the price at the close of the Index on the previous day)

n = the number of securities in the Index

w = the weighting for each component security (equal to the amount of ordinary share capital issued by the company). In the case of those securities which are capped w will be replaced by w_{cap} which will

reflect the adjustment required in order to cap the constituent at the required level.

Appendix A

d = the divisor (a figure which represents the total issued share capital of the Index at the base date and which can be adjusted to allow changes in the issued share capital of individual constituents to be made without distorting the Index)

f = factor to be applied to each security to allow amendment to weighting (this factor is normally set as 1). The Weighting Restraint Factor is published by FTSE.

3.3 DIVIDENDS

3.3.1 The dividends used are the actual gross dividends for each stock which are applied to the stock on the relevant ex dividend date.

Appendix B

ELIGIBLE MARKETS AND TRADING VOLUME SOURCES

Please note: Datastream International Limited, the Primark Group, FTSE, the FTSE NORDIC Index Advisory Committee and any other source of data cannot accept liability for any incorrect information, including the consequences of relying on this information, detailed below.

For those markets which disseminate double-counted volumes, the data will be normalised to single-counted values when screening securities in accordance with Ground Rule 3.6

Country	Exchange Location	Market Section(s)	Source of Volume Data	Notes
Denmark	Copenhagen	Official List	Primark Datastream	Single Counted Sell side only -
Finland	Helsinki	Main List	Primark Datastream	Single Counted Sell side only -
Norway	Oslo	Main List	Primark Datastream	Single Counted Sell side only -
Sweden	Stockholm	A -list O - list	Primark Datastream	Single Counted Sell side only -

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