

# Rules for the SIX60 Index\_CAP (SIX60CAP)

## 1. Introduction

SIX Financial Information (SIX) is the owner and Index Provider of the "**SIX60 Index\_CAP**" (**SIX60CAP**).

SIX60CAP is structured to reflect the market performance of the 60 most traded series of shares listed on the Stockholm Stock Exchange, subject to the restriction that no company may weigh over ten per cent. That weight restriction is imposed in accordance with the EU UCITS Directive, which contemplates investment rules for securities funds' holdings under the 5-10-40 rule.

The purpose of the index is to reflect a portfolio of the shares included in the index at any given time.

Returns received by the shareholders in the form of dividends are reinvested in SIX60CAP. This is not done in the index SIX60 Index\_CAP\_PI (SIX60CAPPI). SIX60CAPPI is calculated in exactly the same way as SIX60CAP, except that dividends are not reinvested in the index.

## 2. Index share, index model

### 2.1 Selection of Index Shares

SIX60CAP's index population consists of the 60 most traded series of shares in a particular measurement period in accordance with the definition below.

The index is reviewed semi-annually (January and July) and applies to shares which meet the following requirements:

- \* To be included in the index, the share must be listed on the Stockholm Stock Exchange.
- \* Only ordinary shares can be included in the index.

The trading of the shares meeting these requirements is then measured. The measurement period consists of the twelve-month period beginning thirteen months prior to the change of population (June–May and December–November).

When measuring trading for a share with parallel listing (e.g. listed in both EURO and SEK), the figures for trading will be added together and stated in SEK.

If an Index Share is not included in the 80 most traded shares in the measurement period, that Index Share will be replaced by the non-Index Share most traded during the measurement period.

If a non-Index Share is included in the 40 most traded shares in the measurement period, that Index Share will replace the least traded Index Share.

If, during the measurement period, the trading of a share which may be considered for inclusion as an Index Share derives mainly from a small number of transactions or relates to a limited period of time so that the trading is therefore considered by the Index Provider to be unrepresentative, the Index Provider may decide that the share in question will not be considered for inclusion as an Index Share.

If a company which is not an existing Index Share is subject to a public purchase offer, the company will not be considered for inclusion as an Index Share when a review takes place.

If the index population contains an Index Share which has been added through a change due to a purchase and the Index Share has not been listed throughout the entire measurement period, a separate trading measurement will be carried out. Trading is measured by calculating daily trading during the measurement period for all companies on the Stockholm Stock Exchange. If the Index

Share in question is among the 60 most traded shares, that share will continue to be an Index Share in the next period. However, if it is not included in the 60 most traded shares, it will be removed and will be replaced by the non-Index Share most traded during the measurement period according to the standard measurement method.

## 2.2 Changes in the composition of SIX60CAP aside from ordinary reviews

If, according to the Index Provider, trading is so low that the quality of the price obtained is considered to be unsatisfactory, the Index Provider may decide that a share will no longer be an Index Share. Notice of any such measure must be given at least two banking days before the measure is implemented.

If the company issuing an Index Share fails to fulfil the applicable requirements regarding information or if the share is considered unsuitable to be Index Share for any other reason, the Index Provider may decide that the share will no longer be an Index Share. Notice of any such measure must be given at least two banking days before the measure is implemented.

If the company issuing an Index Share is delisted from the Stockholm Stock Exchange due to bankruptcy, the Index Provider will decide that the share will no longer be an Index Share. The Index Share will be listed at a price of zero SEK on the last listing day that it is included in SIX60CAP.

If an Index Share is subject to a public offer for acquisition of shares or a company issuing Index Shares approves a merger agreement, the Index Provider may decide that the share will no longer be an Index Share or that it must be changed for another share. In the event of any such change, the number of shares to be included in the index calculation is established by the Index Provider on the basis of the conditions for the offer or merger in question. After SIX has been informed that the purchasing company owns over 90% of the capital of the company purchased, the company purchased will be excluded from the index population immediately. In the event of any such change, the number of shares to be included in the index calculation is established by the Index Provider on the basis of the conditions for the offer or merger in question. The moment for the change will therefore be established by the Index Provider as follows:

- I. If the new Index Share is listed before the existing Index Share's last listing day, the change to the new Index Share will take place from its second listing day.
- II. If the existing Index Share is delisted before the new Index Share's first listing day, the existing Index Share will be removed from the index calculation from the day after its last listing day. The new Index Share will be included in the index calculation from its second listing day.

### 2.2.1 Extra Index Shares

If a company's share is listed on the Stockholm Stock Exchange before the next change in the population, that company's share may be considered for inclusion as an extra Index Share. In order for the company's share to be considered for inclusion, the share's market value must be expected to account for at least 5% of the market value of SIX60CAP and the share's liquidity must be expected to be good.

If a company's share becomes an extra Index Share with less than three months of the measurement period remaining, that extra Index Share will also be included in SIX60CAP as an extra Index Share in the next period.

## 2.3 Definition of Index Share, etc.

The *Market Capitalization* will be calculated for each share by multiplying the number of ordinary shares by the last traded price.

If a company's market capitalization exceeds 10% of the total market capitalization, the number of shares is reduced so that the input market capitalization for the series of shares is exactly 9%. If the companies which exceed 5% together account for a weight of over 40%, the smallest of these companies (in terms of market capitalization) is reduced to 4.5%. This control involving weight restriction takes place on a daily basis for the input value. The weight restriction is imposed in accordance with the EU UCITS Directive, which contemplates investment rules for securities funds' holdings under the 5-10-40 rule.

The day's index value is obtained by adding the *Market Capitalizations* specified above for all the shares included in the index population today and yesterday. Any adjustments (A) for issues are added to yesterday's total market capitalization for the index population (the base value). The ratio between these values is then multiplied by yesterday's index value.

## 2.4 Formula for calculating the Index Value

$$\text{SIX60CAP} = \left( \frac{\sum (Q_t * P_t)}{\sum ((Q_{t-1} * P_{t-1}) + A) - D_t} \right) * \text{SIX60CAP}_{t-1}$$

SIX60CAP	=Index value today
$Q_t$	=Number of ordinary shares today
$P_t$	=Last traded price today
$D_t$	=Dividend today
$Q_{t-1}$	=Number of ordinary shares yesterday
$P_{t-1}$	=Last traded price yesterday
A	=Amount for adjustment of base value at new issues and the like
$\text{SIX60CAP}_{t-1}$	=Index value yesterday

### 2.4.1 Number of shares (Q)

The number of shares per series is given by the current list of shares kept by the Index Provider. Changes to the number of shares due to issues or similar are taken into consideration from the moment a new last traded price is listed after such an issue.

### 2.4.2 Share price (P)

The share prices used to decide the index are last known traded prices.

### 2.4.3 Dividends (D)

Dividends are reinvested in the index by reducing the input share price on the ex-dividend day by the amount of the dividend. In this way, the dividend is reinvested in all the companies included in the index in relation to their weight.

### 2.4.4 Index Value

The index value is stated at two decimal places.

SIX60CAP was listed as 100 for the first time on 28 December 2001 and was based on the day's closing prices.

### 2.4.5 Trading Day and Banking Day

A Banking Day in Sweden is a day other than a Saturday, Sunday or other public holiday when banks in general in Sweden are open. A Trading Day is a day when the Stockholm Stock Exchange is open for trading.

## 2.5 Adjustment for rights issues, etc.

### 2.5.1 Standard method

When a rights issue with precedence for existing shareholders takes place for an Index Share and the newly issued share does not significantly deviate from the ordinary share, the number of Index Shares will be increased according to the so-called standard method from the day the share is listed ex-rights. On that day, the base value will be adjusted in accordance with section 2.4 above. (A) is calculated by multiplying the newly-added number of shares by the issue price per share. It is assumed that the issue is fully subscribed for. If the issue is not fully subscribed for, the number of shares will be adjusted when the Index Provider receives full information on the outcome of the issue and the adjustment will take place in the manner decided by the Index Provider.

### 2.5.2 Valuation method, Fixed Price Method and Inclusion Method

If the company to which the Index Share relates adopts any of the measures listed below in any circumstances other than those contemplated in section 2.5.1 above – where the company's shareholders have a preferential right to participate – the Valuation Method, the Fixed Price Method or the Inclusion Method will be used, as decided by the Index Provider. The following measures may form the basis for an adjustment in accordance with this section 2.5.2.

\* Issue of convertible debt certificates, debt certificates associated with warrants to subscribe for new issues, or similar securities which, according to the Index Provider, have a decisive effect on the Index Share.

\* Offer to acquire securities or rights of any kind or to acquire such securities or rights without payment.

\* New issue involving a new type of share that is not an ordinary share and that, according to the Index Provider, deviates significantly from the Index Share.

#### Valuation Method

The Valuation Method can be used if the rights are listed on any stock exchange or market place approved by the Index Provider. If the Index Provider considers the above valuation to be unrepresentative of the trading of the rights or if the valuation is otherwise unreliable, the Fixed-Price Method is used instead.

If the rights can be valued according to the Valuation Method, the input price of the Index Share on the ex-dividend day is the previous trading day's last traded price with a deduction for the calculated value of the rights. The continuous index calculation is carried out thereafter using the last traded prices from the market place in question.

#### Fixed Price Method

On the day the Index share is listed exclusive of a subscription right (or similar right), the index is calculated by using the last traded price from the previous day's trading. The price in question will be used in the index calculation up to and including the first day when the last traded price exclusive of a subscription right (or corresponding right) was listed on the stock exchange in question. A new base value will be calculated for the following day using the last traded price from the previous day.

#### Inclusion Method

If there is an external valuation, it will be processed in the following way:

On the ex-dividend day, the input share price for the company carrying out the spin-off (parent company) is reduced by the external valuation and the calculation is then carried out at the last traded price. For the company subject to the spin-off (subsidiary company), the input and output share prices are equal to the valuation. This value remains until the company is listed or removed from the index universe.

If there is no external valuation, the processing will take place as follows:

On the ex-dividend day, the input price for the company carrying out the spin-off is the previous day's closing price and the output share price is that day's closing price. For the company subject to the spin-off, the input share price is equal to zero and the output share price is equal to the reduction for the first transaction by the company carrying out the spin-off, in relation to the condition. This value remains until the company is listed or removed from the index universe.

The company subject to the spin-off is included in the index universe until the next revision. Thereafter, the company itself must qualify for inclusion in the index universe for the next period. If the company is listed on an approved stock exchange before the next revision, the input share price on the listing day is equal to the valuation and the output share price is equal to the official closing price for the company.

### **2.5.3 Bonus issue**

In the event of a bonus issue of an Index Share, the number of shares in the index calculation for the Index Share is increased by the number of new shares from the day when the Index Share is listed excluding fractional rights. If a bonus issue takes place which involves the issue of a new type of share which, according to the Index Provider, deviates significantly from the Index Share, the Fixed Price Method contemplated in section 2.5.2 will be used.

### **2.5.4 Stock split and reverse split**

If a stock split or reverse split takes place in an Index Share, the number of shares in the index calculation for the Index Share will be adjusted in accordance with the principles set out in section 2.5.3.

### **2.5.5 Redemption of Index Shares**

#### **2.5.5.1 Redemption at a premium**

When shares are redeemed at premium, aimed at all shareholders, the valuation method contemplated in section 2.5.2 will be used. The reduction in the number of shares shall be adjusted according to the terms of the redemption on the Ex-day. The number of shares today ( $Q_t$ ) and the number of shares yesterday ( $Q_{t-1}$ ) is reduced by the number of redeemed shares.

#### **2.5.5.2 Redemption at a discount**

The reduction in the number of shares shall be adjusted according to the terms of the redemption on the Ex-day. The number of shares today ( $Q_t$ ) and the number of shares yesterday ( $Q_{t-1}$ ) is reduced by the number of redeemed shares.

### **2.5.6 Dividends – relates only to SIX60CAPPI**

If the company issuing Index Shares decides on a dividend pay-out, the Index Provider makes an adjustment for cash dividends which are classified by the company as extraordinary cash dividends.

Otherwise, no adjustment will be made for dividends in SIX60CAPPI.

### **2.5.7 Repurchase of own shares**

In the case of repurchase of own shares at a premium, aimed at all shareholders, the method contemplated in section 2.5.2 will be used. If the repurchased shares are cancelled thereafter, the number of shares in the index will be adjusted. If the acquisition of own shares takes place in a manner other than as stated above, no adjustment will be made to the number of shares.

### **2.5.8 Other adjustment methods**

If an adjustment in accordance with section 2.5 above is clearly in breach of current market practice in the opinion of the Index Provider, the Index Provider has a right, but not an obligation, to instead apply any alternative methods for adjusting the Index which conform to current market practice.

### **2.6 New issue without precedence for existing shareholders**

In the case of issues without precedence for owners of Index Shares and conversion of convertible debt certificates, exercise of warrants etc., changes in the number of shares due to these events will only be included when recurrent reviews of the population are carried out.

### **2.7 Other adjustments**

With regard to adjustments in accordance with section 2, the Index Provider may carry out an adjustment other than that referred to above or may decide to change a provision on adjustment in order to maintain the purpose of the Index.

### **2.8 Suspension of trading**

During suspension of trading of an Index Share, the last traded price for the share will be used to determine the index. This will also apply if a transaction relating to an Index Share was not carried out on the current Trading Day.

### **2.9 Calculation of the average index**

When calculating the average index for a day, the price for each Index Share will consist of the trading in SEK converted, as appropriate, to SEK and divided by the corresponding number of shares (average price). Only transactions carried out during the opening hours for share-trading on the Stockholm Stock Exchange within the price interval of highest purchase price and lowest selling price applying at the moment of the transaction are taken into consideration.

If the Index Provider is unable to calculate the average index for an Index Share on a particular day due to the fact that no transactions took place in the Index Share that day, the closest previous day, when a transaction did take place, is used for the calculation. If, in the opinion of the Index Provider, the price of an Index Share on a particular day is unduly affected and therefore the average index or the average price cannot be calculated in a representative manner, the Index Provider may leave that day or a certain transaction or transactions during the day out of account and instead calculate the average price for the part of the day or from the closest previous day.

## **3. Limitation of liability with regard to SIX60CAP**

SIX is not liable for damage caused by the enactment of Swedish or foreign laws, measures adopted by Swedish or foreign authorities, acts of war, fire, water damage, strikes, blockades, lockouts, boycotts, interruptions in telecommunications, power cuts or other similar circumstances beyond the



Index Provider's control. The reservation applying to blockades, strikes, lock-outs and boycotts applies even if SIX is itself subject to or adopts any such measure.

Under no circumstances is SIX liable for any loss of data, loss of earnings or indirect damage.

SIX gives no guarantee concerning the results to which the use of SIX60CAP may give rise or concerning the value of SIX60CAP at any given time.

Under no circumstances will SIX be liable for faults or defects in SIX60CAP.

#### 4. Amendment of Rules

The Index Provider has a right to stipulate that the rules will be changed if necessary to maintain the purpose of the index or if any law, regulation or decision by an authority makes this necessary or if such a change is considered appropriate due to a change in market practice.

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