



**Rules for the Construction and Maintenance of the**

# **OMX COPENHAGEN 20 INDEX**

VERSION 2.2 /November 2016

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## 1. Introduction

Nasdaq, Inc. and its affiliates (collectively “NASDAQ”) owns and calculates the index OMX Copenhagen 20 Index (the “Index”), and has granted NASDAQ Copenhagen A/S (“NASDAQ Copenhagen”) and its co-operating exchanges the right to use the Index in connection with trading in and clearing of contracts related to the Index in accordance with these rules and regulations.

The OMX Copenhagen 20 Index is a market value weighted, free float adjusted and capped price return index constructed with the objective of creating an index based on a limited number of shares which develops in close correlation with the stocks listed on NASDAQ Copenhagen. The primary objective of the Index is to reflect the development of the shares included in the portfolio.

The OMXC20 was introduced in 1989 as an underlying instrument for futures and options. The OMXC20 Index is weighted in terms of free floated market value. The index was launched 3 July 1989 with the base value of 100.00.

### 1.1 The overall rules

The OMXC20 Index consists of 20 shares and is reviewed semi-annually. Such security is hereinafter referred to as an Index Share. The main selection criteria are free float adjusted market capitalization and aggregated turnover in terms of market value, i.e. the most frequently traded shares on NASDAQ Copenhagen automated trading system, during the preceding 6-month period.

The two reference periods run from 1 December to 31 May and 1 June to 30 November.

The semi-annual review of the OMXC20 portfolio will take place immediately after the December and June expiration dates of the OMXC20 futures contract. The old OMXC20 portfolio will be effective up to and including the 3rd Friday in December and the 3rd Friday in June. A revised and thus new OMXC20 portfolio becomes effective on the first trading day after the expiration of the December and June futures contracts.

The names of the Index Shares will be announced approx. three weeks prior to the effective date of the new portfolio. The effective number of shares for the Index Shares in the index will be announced one week prior to the effective date of the new portfolio.

## 2. OMXC20 shares and calculation of index value

### 2.1 Definition and selection of the shares for OMXC20

The OMXC20 Index is calculated in DKK, and shares that are traded in other currencies are currently translated into DKK.

All shares listed on NASDAQ Copenhagen are ranked according to free float adjusted market capitalization. The top 25 shares constitute the OMXC20 basic portfolio

The 20 shares with highest turnover in the OMXC20 *basic* portfolio will be included in the new OMXC20 portfolio. This portfolio is also called the OMXC20 *active* portfolio.

If a company is subject to a public offer or if a bidder has disclosed its intention to raise such a bid in respect of the company which does not constitute an Index Share may the Exchange decide the company shall no longer be eligible for inclusion.

In exceptional cases, the Exchange reserves the right to remove a share from the selection. This rule may for instance apply if a share in the reference period has experienced an unusual trading pattern.

### 2.1.1 Number of shares

The Index Shares are included with the free floated number of shares listed on the Exchange, except for share classes issued by foreign companies. The number of foreign shares is reviewed in connection with the review of the OMXC20. The number of foreign shares which will be included in the indices is determined on the basis of the number of shares registered with the Danish Securities Centre on the 20th day of the month prior to the entry into effect; i.e. in May and November, respectively. If the 20th day is not a trading day, the count will be made on the first succeeding trading day.

### 2.1.2 Free Float adjustment

Free float is important when constructing an investable index. The objective of free float criteria is to improve the index's overall investability.

Free float<sup>1</sup> is the proportion of the total amount of share capital available to ordinary investors compared to the total number of listed shares of a company. The balance of a company's share capital will be in the form of strategic holdings, effectively excluded from normal trading.

Free float will utilize the following formula:

Free float = Total Shares Outstanding (TSO) – holders of >=5% of the TSO excluding Hedge Funds

The Free Float Factor will be rounded to the closest 1%. For example, 56.2% will be rounded to 56% and 56.5% will be 57%.

A low free float will not exclude a company from an index but will restrict the percentage portion of the outstanding shares, which is included in the Index calculation.

Changes in free float are only made effective in connection with the semi-annual review unless the index's ability to mimic the total market is seriously deteriorated or the free float

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<sup>1</sup> Free float data is provided by Thomson Reuters and has been licensed by Nasdaq, Inc.

has changed considerably as a result of a takeover according to section 5.2 below prior to the semi-annual review date.

### 2.1.3 Market capitalization limit (Capping)

*Applied only for the capped versions of the OMXC20 index.*

The following index weight restrictions are applied:

- + The market value of Shares issued by the same body may not exceed 20 percent of the index total market value. If the threshold is exceeded the constituent will be capped to 15 percent of the index total market value.
- + The procedure maintaining these restrictions is applied subsequently to application of free float adjustment. The Exchange maintains the weighting restrictions by using a semi-annual and a daily procedure. The weighting restrictions will be imposed by adjusting the number of shares of the Share.
- + Semi-annual adjustment at review: Shares are ranked by their company market value at the time of review (t) based on the closing prices of t-2. If the market value of shares issued by the same body exceeds the 15 percent limit, it will be capped at 15 percent. Any other share issued by the same body with a market value exceeding the 15 percent limit will be capped at 15 percent.
- + Daily adjustment: The weight limitation is supervised at the close of each day. If shares issued by the same body exceed the 20 percent limit, it will be capped at 15 percent and/or any other shares issued by the same body exceeding the 15 percent limit will be capped at 15 percent. The shares will be capped until the weight restrictions of the semi-annual adjustment are satisfied. The new weight limitation will be implemented effective two trading days (t+2) after the limits were exceeded.

## 2.2 Changes in the composition of the OMXC20 index

Where suspensions or delisting will reduce the number of Index Share in the OMXC20 Index by more than two (2), new constituents must be included so that the number of Index Share always amounts to at least 18.

New Shares are transferred from the OMXC20 basic portfolio, and since 20 of them are already represented in the OMXC20 Index the first additional shares will be number 21 from the original OMXC20 basic portfolio. Shares of the basic portfolio will be transferred to the active portfolio until the latter contains 18 Index shares.

## 3. Index Calculations

### 3.1 Last Sale Price

The last price paid is updated in the trading system (INET) on the basis of partly the system-generated trades, partly reports of standard trades in the opening hours of the trading system.

If a price is generated during the daily closing call auction, this price will update the last price paid.

Reports of standard trades update the last price paid if the time of the trade is the latest of the order book in question and provided that the transaction price is within the spread at the time of registration.

Trades involving less than one round lot shall not be reported.

### 3.2 Foreign Exchange Rate

Foreign exchange rate is the WM Company, Closing Spot Rate at 16:00:00 UK time in the calculation of the End Of Day (EOD) Index Value.

SIX Financial Information Intraday Spot Rate is applied to the real time Index calculation during the trading day

### 3.3 Price Return Index Calculation

The Price Return (PR) Index Value reflects changes in market value of Index Shares during the trading day. The PR Index is calculated without regard to ordinary dividends. The formula is as follows:

$$PR I_t = \frac{PR Index Market Value_t}{PR Index Divisor_t}$$

$PR I_t$  = Price Return Index Value at time (t)

$$PR Index Market Value_t = \sum_{i=1}^n q_{i,t} * p_{i,t} * r_{i,t}$$

where;

$q_{i,t}$  = Number of shares (i) applied in the Index at time (t)

$p_{i,t}$  = Price in quote currency of a security (i) at time (t)

$r_{i,t}$  = Foreign exchange rate to convert Index Share (i) quote currency into Index currency at time (t)

Foreign exchange rate is the WM Company, Closing Spot Rate at 16:00:00 UK time<sup>2</sup> in the calculation of the EOD Index Value.

SIX Financial Information Intraday Spot Rate is applied to the real time Index calculation during the trading day.

The Divisor serves the purpose of scaling an Index Market Value to lower order of magnitude, which is recommended for reporting purposes. The Divisor is adjusted to ensure that changes in Index Securities either by corporate actions or index participation occurring outside of trading hours do not affect the value of the Index. A divisor change occurs after the close of Index Share markets contained in the Index. The PR Divisor for day (t) is calculated as the ratio of the Start Of Day (SOD) Market Value and the previous day's Index Value as follows:

$$PR\ SOD\ Index\ Divisor_t = \frac{PR\ SOD\ Index\ Market\ Value_t}{PR\ I_{t-1}}$$

$PR\ I_{t-1}$  = Price Return Index Value at time (t-1)

$$PR\ Index\ SOD\ Market\ Value_t = \sum_{i=1}^n q_i * p_i * r_{i,t-1}$$

where;

$q_i$  = Number of shares (i) applied in the Index, adjusted to reflect corporate actions if any

$p_i$  = Price in quote currency of a security (i), adjusted to reflect corporate actions if any

$r_{i,t-1}$  = Foreign exchange rate to convert Index Share (i) quote currency into Index currency at time (t-1)

Foreign exchange rate is the previous day's WM Company, Closing Spot Rate at 16:00:00 UK time in the calculation of the SOD Index Market Value.

The PR Index Value reflects extraordinary dividends. The reinvestment of extraordinary dividend is carried out by adjusting the  $p_{i,t-1}$  in the Index with subtraction of extraordinary

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<sup>2</sup> The WM/ Reuters Spot Rates provided by The World Markets Company plc ("WM") in conjunction with Thomson Reuters. WM shall not be liable for any errors in or delays in providing or making available the data contained within this service or for any actions taken in reliance on the same, except to the extent that the same is directly caused by its or its employees' negligence.



dividend from its price on the ex-dividend date (t). This adjustment reinvests the dividend in all Index Shares in proportion to their respective weights.

### 3.4 Gross Total Return Index Calculation

The Gross Total Return (GTR) Index Value reflects changes in market value of Index Shares during the trading day. The formula is as follows:

$$GTR I_t = GTR I_{t-1} \times \frac{PR I_t + IDP_t}{PR I_{t-1}}$$

$GTR I_t$  = Gross Total Return Index Value at time (t)

$GTR I_{t-1}$  = Gross Total Return Index Value at time (t-1)

$PR I_t$  = Price Return Index Value at time (t)

$PR I_{t-1}$  = Price Return Index Value at time (t-1)

$$IDP_t \text{ (Index Dividend Points)} = \frac{\text{Index Dividend Market Value}_t}{\text{Index Divisor}_t}$$

$$\text{Index Dividend Market Value}_t = \sum_{i=1}^n q_{i,t} * d_{i,t} * r_{i,t-1}$$

where;

$q_{i,t}$  = Number of shares (i) applied in the Index at time (t)

$d_{i,t}$  = Ordinary dividend in the index at time (t)

$r_{i,t-1}$  = Foreign exchange rate to convert Index Share (i) quote currency into Index currency at time (t-1)

The GTR Index Value reflects ordinary and extraordinary dividends. The reinvestment of extraordinary dividend is carried out by adjusting the  $p_{i,t-1}$  in the Index with subtraction of extraordinary dividend from its price on the ex-dividend date (t). This adjustment reinvests the dividend in all Index Shares in proportion to their respective weights.

### 3.5 Net Total Return Index Calculation

The Net Total Return (NTR) Index Value reflects ordinary and extraordinary dividends adjusted for withholding tax rates. The formula is as follows:

$$NTR I_t = NTR I_{t-1} \times \frac{NPR I_t + NetIDP_t}{NPR I_{t-1}}$$

$NTR I_t$  = Net Total Return Index Value at time (t)

$NTR I_{t-1}$  = Net Total Return Index Value at time (t-1)

$NPR I_t$  = Net Price Return Index Value at time (t)

$NPR I_{t-1}$  = Net Price Return Index Value at time (t-1)

$$NPR I_t = \frac{NTR \text{ Index Market Value}_t}{NTR \text{ Index Divisor}_t}$$

**Net Price Return Index Value is available in index file report products. It is calculated only as the basis for the Net Total Return Index and Gross Total Return No Price Return Index.**

$$Net \text{ IDP}_t \text{ (Net Index Dividend Points)} = \frac{Net \text{ Index Dividend Market Value}_t}{NTR \text{ Index Divisor}_t}$$

$$NTR \text{ Index Net Dividend Market Value}_t = \sum_{i=1}^n q_{i,t} * (d_{i,t} * 1 - w_{i,t}) * r_{i,t-1}$$

where;

$q_{i,t}$  = Number of shares (i) applied in the Index at time (t)

$d_{i,t}$  = Ordinary dividend adjusted for withholding tax rate (WTR) in the Index at time (t)

$r_{i,t-1}$  = Foreign exchange rate to convert Index Share (i) quote currency into Index currency at time (t-1)

$w_{i,t}$  = Withholding tax rate applied for the Index Share at time (t)

$$NTR \text{ SOD Index Divisor}_t = \frac{NTR \text{ SOD Index Market Value}_t}{NTR I_{t-1}}$$

$NTR I_{t-1}$  = Net Total Return Index Value at time (t-1)

$$NTR\ SOD\ Index\ Market\ Value_t = \sum_{i=1}^n q_i * p_i * r_{i,t-1}$$

where;

$q_i$  = Number of shares (i) applied in the Index, adjusted to reflect corporate actions if any

$p_i$  = Price in quote currency of a security (i), adjusted to reflect corporate actions if any

$r_{i,t-1}$  = Foreign exchange rate to convert Index Share (i) quote currency into Index currency at time (t-1)

Foreign exchange rate is the previous day's WM Company, Closing Spot Rate at 16:00:00 UK time in the calculation of the SOD Index Market Value.

The NTR Index Value reflects ordinary and extraordinary dividends adjusted for withholding tax rates. The reinvestment of extraordinary dividend is carried out by adjusting the  $p_{i,t-1}$  in the Index with subtraction of extraordinary dividend less the withheld tax from its price on the ex-dividend date (t). This adjustment reinvests the dividend in all Index Shares in proportion to their respective weights.

### 3.6 Volume Weighted Average Price

In calculating the Volume Weighted Average Price ("VWAP") for an Index Share, the price shall be calculated by reference to the aggregate trading amount that day on the Exchange, converted, where appropriate, into Danish kronor, divided by the corresponding number of such shares. Conversion from the Index Share's currency into Danish kronor takes place continuously throughout the trading day subject to the currency fix established by the Exchange applicable from time to time.

When calculating the VWAP for Index Shares, consideration shall only be given to the trades which have taken place in NASDAQ Copenhagen's trading system (INET) during the trading session which are reported in accordance with NASDAQ OMX Nordic Member Rules using Trade Type "Automatch". Both the opening and closing auctions are included in the calculation of the VWAP.

If NASDAQ is unable to calculate the VWAP for an Index Share on a particular trading day, because no exchange transactions have been carried out for a certain share, its price shall be the VWAP for such share on the last trading day on which it is possible to calculate such VWAP in accordance with this section.

If the NASDAQ considers that the price of one or more Index Shares on a particular trading day has been unduly influenced so that the OMXC20CAPEXP Index or VWAP cannot be calculated in a representative way, the Exchange may ignore that day, or one or more

exchange transactions carried out during the day, and use the VWAP for Index Shares for a part of the trading day or the most recent prior trading day.

### **3.7 Expiration Index (Monthly)**

When calculating the expiration index (“OMXC20CAPEXP”) for a given trading day, VWAP is applied for each Index Share according to section 3.6 above.

If for whatever reason the OMXC20CAPEXP Index is to be calculated for part of a trading day only, such calculation shall nonetheless be made in line with the above principles

## **4. Adjustments**

In principle the OMXC20 Index is adjusted to reflect all situations where the value of the OMXC20 Index would be altered due to changes in the market value of the shares, provided that the changes are not a consequence of supply and demand. However, no adjustments are made in cases where the market price is not affected (market price issues).

Generally, adjustments are made after the close of the trading system and will apply as from the next trading day. Nearly all adjustments can be made prior to the issue. However, a few adjustments will not be activated until the first price observation after the issue. This is the case with issues of convertible bonds and warrants, where the existing shareholders are given pre-emption rights. In such cases the fixed price method is applied, see section 6 below.

It is presumed that at the opening of the subscription period or the listing of a subscription right the market will react as if the issue will be carried out in full. Consequently, the index will be adjusted on the basis of the full volume of shares issued with effect from the trading day after the shares are traded ex subscription rights.

### **4.1 Price basis**

Adjustments are based on the closing price/last price paid at closing on the trading day prior to the entry into effect of the event, see section 6 below for definitions. Moreover, adjustments are based on the subscription price and the subscription ratio. However, in connection with the fixed price method the volume weighted average price - at the close of the trading day' is applied.

## **5. Events leading to adjustments**

### **5.1 Adjustments following changes to constituent shares**

Suspended companies are included in the index calculation with the last price paid in the same manner as all other shares. Accordingly, the price is not locked in at the latest price paid before the suspension. The last price paid will in this case only be updated by prices reported in the trading system, i.e. standard trades.

If a suspension subsequently leads directly to the delisting of the share, an adjustment must be made to account for this. This will result in the share being excluded from the OMXC20 portfolio and to the share being removed from both the numerator and the denominator in index value formula.

## 5.2 Adjustment for Issues etc.

For the purpose of preventing issues of shares etc. from affecting the Index Value, the Exchange shall make adjustments to OMXC20 in accordance with the provisions set forth below.

Notice of any adjustment shall be given in an Index Announcement. Whenever possible, any such announcement shall be published not less than two Bank Days before it takes effect.

### 5.2.1 Standard Method

Where the company, the shares of which constitute an Index Share, carries out a new issue of shares which in the opinion of the Exchange do not substantially deviate from the Index Share (where the shareholders have preferential rights to the new shares), the number of Index Shares shall be increased with effect on the day when the stock is listed on the Exchange without rights to participate in the issue (the ex-day), when calculating the Index Value according to the Standard Method.

Where the new shares deviate with respect to the right to dividends, the Exchange shall have the right to add the sum of the difference in dividends to the subscription price when calculating the adjustment factor ( $j_{i,t}$ ).

In this calculation, it is assumed that the new issue will be fully subscribed. In the event this is not the case, the number of shares shall be adjusted as determined by the Exchange at the point in time when the Exchange becomes aware of the degree of subscription pursuant to the issue.

### 5.2.2 Inclusion Method, Valuation Method and Fixed Price Method

Where the company, the shares of which constitutes an Index Share, other than as set out in section 5.1.1 above, carries out any of the following measures (where the shareholders have preferential rights of participation), either the Inclusion Method, Valuation Method or the Fixed Price Method shall, as determined by the Exchange, be used. The Inclusion Method shall primarily be used, followed by, the Valuation Method and the Fixed Price Method. The Exchange shall in due time notify which method that shall be used. The following measures may make the basis of adjustments in accordance with this section 5.1.2:

- + issue of convertible debentures, debenture certificates carrying subscription warrants or similar securities;
- + offer to acquire securities or rights of any type or receive such securities or rights without consideration; and

- + when a new issue is carried out which involves the issue of a new type of stock having rights that in the Exchange's opinion deviate significantly from the rights carried by the Index Share.

### **Inclusion Method**

The Inclusion Method may be used where the securities become, registered with, or listed on the Exchange or any other Exchange or market place approved by the Exchange and are considered as eligible index shares. If the securities are traded on the Exchange or any other Exchange or market place approved by the Exchange on the Ex-day they will be included in the index as an extra index share on that day. No adjustment will be made to the price of the distributing share and the start price of the extra index share will be set to zero (0). The extra index share will be included in the index calculation at average price during the day. At the end of the same day the index share will also be removed from the index at average price.

If the securities are to become, registered with, or listed on, the Exchange or any other Exchange or market place approved by the Exchange in the near future after the distribution they will be included as an extra index share on the Ex-day. The start value of the extra index share will be determined by the difference between the previous day's closing price (t-1) and the first traded price on the Ex-day (t) of the distributing share. That value will then be fixed until the first trading day of the extra index share. On its first trading day, the extra index share will start at the fixed price determined at (t) and then be included at average price during the day. At the end of the same day the index share will also be removed from the index at average price.

### **Valuation Method**

The Valuation Method may be used where the rights are listed on the Exchange or another exchange or market place approved by the Exchange, or where when-issued futures are listed on the Exchange or another exchange or market place approved by the Exchange. In such cases the valuation shall be based on the Volume weighted Average Price of the rights or when-issued futures on the day prior to the ex-day. The valuation method can also be based on the median value from not less than five valuations from members of the Exchange. Where the Exchange is of the opinion that the above valuation is not representative taking into consideration the volume of trading in the rights or when-issued futures, or where the valuation in some other manner is not reliable, the Fixed Price Method shall be used.

Where valuation of the rights can be effected in accordance with the Valuation Method, the opening exchange value of the Index Share (MCt-1) on the ex-day shall be determined at the most recent transaction price on the preceding Bank Day less the calculated value of the right. Thereafter the regular index calculation shall take place employing the most recent transaction prices from the Exchange or another exchange or market place approved by the Exchange.

## The Fixed Price Method

During the Bank Day prior to the day that the Index Share is listed on the Exchange without the right to participate in the issue or offer (ex-day), the calculation of the Index Value shall be carried out in such a manner that the Index Share is included in the average price on the Exchange. Commencing on the ex-day, however, the calculation of the Index Value shall be carried out with respect to the Index Share based on the preceding Bank Day's average price on the Exchange (fixed price). In conjunction with the calculation of the Index Value, the relevant fixed price shall be used during the entire ex-day or up to and including the Bank Day on which the first bid price without the right to participate in the issue or offer is listed on the Exchange. For the Bank Day thereafter, a new market value will be calculated for all Index Shares using the most recently listed transaction prices on the Exchange, with the exception of the relevant Index Share which shall be calculated on the basis of the preceding Bank Day's average price (comparison price). The Index Value for the relevant Index Share shall thereafter be calculated on the basis of last price paid from the Exchange.

Where the ex-day for Index Share above occurs on the same day as the Index Share is available for trading ex dividends, the average price shall be decreased by the dividend amount or the extraordinary dividend amount in accordance with section 5.1.4.

### 5.2.3 Bonus issues

The issue of bonus shares is subject to the same factors as apply to a rights issue; however, instead of subscription rights, the existing shareholders will receive bonus rights. Also, there will no longer be a subscription price – new shares are supplied free of charge when you submit the required number of bonus rights.

The adjustments merely take place by calculating an adjustment factor, and the portfolio is updated with the new volume of shares. The market value of the company does not change since the company is not supplied with new capital in connection with the issue. The adjustment factor thus ensures that the increase in the number of shares is neutralised through a corresponding decrease in the price.

## 5.3 Split /Reverse split and consolidations

A stock split or reverse split is the action of a company in splitting or recouping its shares, reducing or increasing, respectively, par value in proportion and so increases or decreases, respectively, the number of shares. The economic effect of a stock split or reverse stock split is equivalent to bonus issue, as there is no flow of capital into or out of the company. The number of shares increases but the market capitalization of the company remains unchanged. If the new shares deviate significantly from the Index Constituent, the method described in 5.6 below shall be applied.

The price of the Index Share is adjusted to reflect the ratio of a split or stock dividend and a corresponding inverse adjustment to the Index Shares is made.

## 5.4 Dividends

If a dividend is quoted in a different currency than the Presentation Currency, the dividend amount will be recalculated using the t-1 WM Company Closing Spot Rate (1600 UK), where t-1 is the trading day before the ex-day.

### 5.4.1 Ordinary dividends and distributions

#### 5.4.1.1 Price Return Index

Adjustment shall not be made for the payment of ordinary dividends. Adjustment shall neither be made for stock dividends, cash distributions or for capital reductions where the whole or part of the distribution replaces an ordinary dividend according to the NASDAQ's opinion.

#### 5.4.1.2 Gross and Net Total Return Index

Adjustment shall be made for the payment of ordinary dividends. Adjustment shall also be made for stock dividends, cash distributions or for capital reductions where the whole or part of the distribution replaces an ordinary dividend according to the NASDAQ's opinion. The net total return indexes are calculated by reinvesting the dividend after deduction of withholding tax (wt) as set out in the calculations in section 3.5 above.

Ordinary dividend is added to the calculation as Index Dividend Points according to section 3.4 and 3.5 above respectively

### 5.4.2 Extraordinary dividends and distributions

#### 5.4.2.1 All index versions (Price, Gross, Net)

Where a company, the shares of which constitute an Index Share, decides upon a distribution which according to NASDAQ's opinion is additional or non-regular, NASDAQ shall carry out an adjustment. The price of the Index Share is adjusted for the amount of the extraordinary dividend.

The adjustment is carried out by adjusting the opening price of the Index Share which on the ex-day shall be determined at the most recent transaction price on the preceding trading day, less the value of the dividend that is calculated according to the abovementioned principles. The net total return indexes (NI) are calculated by reinvesting the dividend after deduction of withholding tax (wt) as set out in the calculations in section 3.5 above.

## 5.5 Reversal of adjustment

A guaranteed issue means that the completion of the issue is guaranteed. The new volume of shares will be known at the time of the issue and the adjustment may be made once and



for all. Non-guaranteed issues or partially guaranteed issues are issues, the completion of which is not guaranteed.

If a non-guaranteed or partially guaranteed issue is not carried out, adjustments will be made by using negative volumes, corresponding to the volume of new shares which could not be sold after all.

In all cases, reverse adjustment will be made in accordance with the rules governing adjustment of market price issues, i.e. a negative change in the volume of shares, however, not until the next biannual review of the index as the event is identical with a market price issue.

## **5.6 Adjustments in case of reduction in share capital**

The reduction of share capital removes part of the nominal share capital from the constituent without affecting the market value of the constituent.

If the reduction takes place by maintaining the number of shares but reducing the face value of the shares the price will not be affected and only the face value will be changed.

## **5.7 Adjustments in case of Bankruptcy**

Index Shares will be removed at a price of zero, if considered to be in liquidation.

## **5.8 Adjustments in connection with mergers**

If a Index Share becomes the object of a public take-over offer or the company, the shares of which are Index Shares, approves a merger agreement, the Exchange may decide that the stock shall no longer be an Index Share or that a replacement for another stock shall take place. In case such a replacement shall take place, the number of shares to be included in the Index Calculation is determined by the Exchange in accordance with the terms of the offer or merger. The time for the replacement shall be determined by the Exchange according to the following:

In case the new Share is listed on the Exchange before the last listing day for the existing Index Share, the replacement shall take place with effect from the second listing day regarding the new Share on the Exchange

- + In case the new Share is listed on the Exchange before the last listing day for the existing Index Share, the replacement shall take place with effect from the second listing day regarding the new Share on the Exchange
- + In case the Index Share is de-listed on the Exchange before the First Listing Day for the new Share, the Index Share shall be deleted from the Index Calculation with effect from the day following the last trading day of the Index Share. The new Index Share shall be included in the Index Calculation from the second listing day on the Exchange regarding the new Share.

The rules regarding average price in definitions shall be applied in connection with such a replacement.

### 5.8.1 Acquisition offers

The Exchange may remove a company's shares from the OMXC20 portfolio, where an offeror that does not have shares admitted to listing on the Exchange has announced an offer to buy the company and where it appears from the offer that the intention is to delist the company from the Exchange.

The Exchange may remove the Index Share from the OMXC20 portfolio after it has been known to the market for a whole trading day that the owner holds at least 90 per cent of the votes or the capital. If, for instance, the owner at 14:00 on day (t) publishes that he holds at least 90 per cent of the shares, the Index Share cannot be removed from the index until the morning of day (t+2).

Correspondingly, an Index Share that meets the above conditions cannot be selected for the next OMXC20 portfolio.

If the situation arises after the next OMXC20 portfolio has been selected, but not yet activated, the Index Share about to be acquired will be replaced by the share which at the time of selection was just outside the OMXC20 portfolio.

## 5.9 Additional Index share

### 5.9.1 Fast Entry

The share class of a newly introduced company may extraordinarily be eligible for inclusion in the OMXC20 Index as an additional Index Share before the next ordinary review. An existing share with a major increase in free float of may also be eligible for inclusion in the index. To be eligible for selection as an additional Index Share, the share must have a free float adjusted market value ranging among the 10 largest instruments in the OMXC20 index, and have good estimated turnover. If the share is deemed eligible for fast entry it will be included on the 11th day following listing, however not later than 10 days prior to the next ordinary review.

A share class that qualifies according to rule 5.9.1 will automatically qualify at the following ordinary review as an extra index Share. The information regarding a fast entry in OMXC20 will be made available to investors at the latest two days prior to inclusion.

In the event of a Fast Entry a quarterly capping process will be applied in the capped indexes.

### 5.10 Other adjustments

In special cases where an adjustment cannot be made the Exchange reserves the right to calculate and use theoretic prices in the index.

In special cases where these rules do not apply or where warranted by special market conditions, the Exchange reserves the right to make a decision in the specific case.

## 6. Definitions

### 6.1 Volume Weighted Average Price

The average price used in connection with the OMXC20 Index is based on full day auto match trades including the opening- and closing auctions. When calculating the average price for the Index Share, only the Exchange's trading system for stocks (INET) shall be taken into account.

### 6.2 The OMXC20 Index

The OMXC20 equity index was created following the introduction of share-based futures and options trading. The OMXC20 Index started on 3 July 1989 with the base value of 100.00. At that time the index was called the KFX Index. On 3 October 2005, the index name was changed to OMXC20.

The OMXC20 Index is calculated as an arithmetic, weighted free float adjusted market value index. The individual Index Share are weighted to reflect the market value of the individual company relative to the total market value of the Index Share. These guidelines give a detailed description of the construction of the OMXC20 Index, the current calculation and events leading to adjustments.

### 6.3 Foreign companies

Companies not registered in Denmark and which do not have the Exchange as their primary place of listing.

## 7. General Announcement Policy

NASDAQ announces Index-related information via our premier service Global Index Watch at <http://indexes.nasdaqomx.com>.

Deadlines for announcements:

- + **Rule amendments:** Material changes to the rules are normally announced 3 months before they are put into effect.
- + **Periodic index composition:** A notice is normally announced no less than one (1) week prior to implementation. The Exchange reserve the right to alter the announced composition in case of a merger, take-over or other major events that is expected to deteriorate the index' ability to mimic the population of stocks representing the market.
- + **Corporate actions:** Implementations in the Indexes are done in accordance with the index rules. Notice of any adjustment shall, whenever possible, be published no later than two business days prior to the ex-day.

In the event that an Index calculation has been corrected historically, an announcement will be provided and clients are asked to update their databases accordingly.

## **8. General Correction Policy**

Generally, the indexes are maintained on an ongoing basis and any corporate actions are handled simultaneously as they occur, given that all necessary information is publically available. However, there may be events where there is not sufficient public information available or that the event is announced post ex-day. In such cases, the Exchange will decide on a case by case basis whether the event can be implemented in connection to the regularly scheduled index reviews or if a historical correction of the affected indexes is warranted.

Any historical correction to an index is limited to a time frame of six (6) months prior, counting from the date where the correction is being implemented.

## **9. Discretionary Adjustments**

The Exchange may, due to special circumstances, if deemed essential, apply discretionary adjustments to the index.

## **10. Alternative Information Retrieval**

If, in the opinion of NASDAQ, technical or other reasons, render the automatic transmission of price information or other information regarding an Index Share or currency fix from NASDAQ Copenhagen, or other information system approved by NASDAQ, either wholly or partially unavailable, or if such price information is unreliable or in any other way fails to reflect the development of market prices in the currency type or Index Shares, NASDAQ may utilize another source of information and thereby apply other bases for the calculation of the Index than those which otherwise are stated in these rules.

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## Appendix A – OMXC20 Indexes

Index Symbol	Index Name	ISIN	Calculation Method	Linked to PR Index	Linked GTR Index	No adjustment for Extraord. Dividends
OMXC20	OMX Copenhagen 20	DK0016268840	PR		OMXC20GI	
OMXC20CAP	OMX Copenhagen 20 CAP	DK0060368991	PR		OMXC20CAPGI	
OMXC20CAPDVP	OMX Copenhagen 20 CAP Dividend Point Index	DK0060488468	DIV	OMXC20CAP		
OMXC20CAPEXP	OMX Copenhagen 20 CAP EXP	DK0060369023	PR			
OMXC20CAPGI	OMX Copenhagen 20 CAP GI	DK0060369106	GTR	OMXC20CAP		
OMXC20EXP	OMX Copenhagen 20 Expiration index	DK0060487304	PR			
OMXC20GI	OMX Copenhagen 20 GI	DK0060369296	GTR	OMXC20		