



**Rules for the Construction and Maintenance of the  
OMX HELSINKI 25 INDEX**

VERSION 1.4 / November 2016

# TABLE OF CONTENTS

- TABLE OF CONTENTS .....2
- 1. Introduction .....4
- 2. Index Share Eligibility & Selection rules .....4
  - 2.1 Index Share eligibility.....4
  - 2.2 Index Share selection.....4
  - 2.3 Detailed Index share Selection Criteria.....5
    - 2.3.1 Listings.....5
    - 2.3.2 Security Types.....5
    - 2.3.3 Index Evaluation .....5
    - 2.3.4 Free Float.....5
- 3. Index Calculations.....6
  - 3.1 Last Sale Price .....6
  - 3.2 Foreign Exchange Rate.....6
  - 3.3 Index Shares.....6
  - 3.4 Base Date and base value .....7
  - 3.5 Rounding.....7
  - 3.6 Price Return Index Calculation .....7
  - 3.7 Gross Total Return Index Calculation.....8
  - 3.8 Net Total Return Index Calculation .....9
  - 3.9 Volume Weighted Average Price.....10
    - 3.9.1 Expiration Index .....10
- 4. Index Maintenance .....11
  - 4.1 Index Rebalancing .....11
    - 4.1.1 Market Capitalization Limit (Capping).....11
  - 4.2 Index Share Changes .....12
    - 4.2.1 Trading Volume.....12
    - 4.2.2 Information Requirements .....12
    - 4.2.3 Mergers and Aquisitions.....12
    - 4.2.4 Take-over.....12
    - 4.2.5 Fast Entry .....13
    - 4.2.6 Bankruptcy.....13
    - 4.2.7 Changes in the index composition.....13
  - 4.3 Index Share maintenance.....14
- 5. Corporate Actions.....14

5.1	Split / Reverse split and Consolidations.....	14
5.2	Dividends .....	14
5.2.1	Ordinary dividends and distributions .....	14
5.2.2	Extraordinary dividends and distributions .....	15
5.3	Bonus issue.....	15
5.4	Repurchase Of Own Shares.....	15
5.5	Redemption Of Shares / Cancellation of Own Shares.....	16
5.6	Spin-off and adjustment for issues .....	16
5.6.1	Standard Method .....	16
5.6.2	Basket Method, Valuation Method and Fixed Price Method.....	17
5.7	Other adjustments.....	19
6	General Announcement Policy .....	19
7	General Correction Policy.....	19
8	Discretionary Adjustments.....	19
9	Alternative information Retrieval .....	20
	Intellectual property rights .....	20
	Disclaimer .....	20
	Limitation of liability .....	20
	Appendix a – OMXH25 Indexes .....	21

# 1. INTRODUCTION

Nasdaq, Inc. and its affiliates (collectively “NASDAQ”) own and calculate the index OMX Helsinki 25 Index (the “Index”), and has granted NASDAQ Helsinki Ltd (“NASDAQ Helsinki”) 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 Helsinki 25 Index is a market value weighted, free float adjusted and capped price 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 Helsinki. The primary objective of the Index is to reflect the development of the shares included in the portfolio.

## 2. INDEX SHARE ELIGIBILITY & SELECTION RULES

### 2.1 INDEX SHARE ELIGIBILITY

OMXH25 comprises the 25 shares, Finnish depository receipts or suchlike (together named “shares”) which have the largest volume of trading, calculated in Euro on NASDAQ Helsinki during a certain Control Period<sup>1</sup>, as defined below. Such security is hereinafter referred to as an Index Share.

To be eligible for inclusion in the Index, an Index Share must meet the following criteria:

- + The share must be listed on NASDAQ Helsinki;
- + The share must be an eligible share type, as described in section 2.3.2 below;
- + If a significant portion of the trading volume of a share which qualifies as an Index Share is attributable to few exchange transactions within a limited time period so that registered volume is considered by the Exchange not to be representative, the Exchange may decide that the share shall be ineligible for Index inclusion; and
- + 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 a company, such company shall no longer be eligible for inclusion in the Index.

### 2.2 INDEX SHARE SELECTION

- + The share must be among the 25 most traded shares according to daily median turnover in Euro at NASDAQ Helsinki during the Control Period.

A share can qualify as an Index share even though it has not been listed on NASDAQ Helsinki during the whole Control Period if the daily median turnover most likely, in the opinion of the Exchange, will continue to be ranked among the top 25 shares.

---

<sup>1</sup> Control Period means the six months period, starting seven months before the review date. Thus, the Control Period for the second half of a given year is the six-month period ending in Junethat same year. Turnover figures from the Control Period are used in the semi-annual reviews.

## 2.3 DETAILED INDEX SHARE SELECTION CRITERIA

### 2.3.1 LISTINGS

For selection in the Index, Index Shares must fulfill all eligibility criteria described in section 2.1 above.

### 2.3.2 SECURITY TYPES

Security types generally eligible for the Index include ordinary shares and depositary receipts. Security types generally not included in the Index are closed-end funds, convertible debentures, exchange-traded funds, limited partnership interests, rights, shares of limited liability companies, warrants and other derivative securities.

If a company has listed multiple share classes, each of which is priced and traded separately, all share classes, except preferred shares, are considered for Index selection and are treated as separate Index Shares.

### 2.3.3 INDEX EVALUATION

The Index is evaluated semi-annually to allow for continued and correct representation of changing equity markets. The Index Share selection criteria described in section 2.2 above are applied using data through the end of December and June, respectively. Index Share additions and deletions are made effective after the close of last trading day of each January and July.

### 2.3.4 FREE FLOAT

Free float is an important issue when constructing an investible index. The objective of introducing free float criteria is to improve the Index' overall investability.

Free float<sup>2</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  $\geq 5\%$  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 Benchmark Index calculation.

---

<sup>2</sup> Free float data is provided by Thomson Reuters and has been licensed by Nasdaq, Inc.

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 has changed considerably as a result of a takeover according to rule 4.2.3 and 4.2.4 below.

## 3. INDEX CALCULATIONS

The Index value is the value of the Index at a given point of time ("Index Value"). The Index Value is presented in Euro ("Presentation Currency").

### 3.1 LAST SALE PRICE

The Last Sale Price ("LSP") refers to the most recent trading price reported on NASDAQ Helsinki for a given share. This also applies when trading in an individual Index Share is suspended.

The Index will normally obtain such prices from its trading system for equities (INET). The received prices thus will be utilized in the Index calculation. In cases where such information cannot be obtained from INET, NASDAQ may adopt an alternative means of obtaining the relevant prices in order to calculate the Index.

### 3.2 FOREIGN EXCHANGE RATE

An index that consists of shares quoted in different currencies and the underlying prices of the Index Shares are converted into the index currency.

Foreign exchange rate is the WM Company, Closing Spot Rate at 16:00:00 UK time<sup>3</sup> 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 INDEX SHARES

The number of shares per Index Share is stated by NASDAQ Helsinki in the Index stock list applicable at any time.

Adjustment to the number of shares as a consequence of issues or suchlike, according to section 5.6 below shall not be taken into account in the Index calculation until the day the Index Share in question is listed by NASDAQ Helsinki without any right to participate in the issue.

---

<sup>3</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".

The number of shares per Index Share may also be changed in conjunction with de-registration of Parallel Listed shares (see section 4.2.4 below), or in conjunction with a change to shares in another company.

### 3.4 BASE DATE AND BASE VALUE

The Base Value is the starting value for the Index and may be adjusted due to the split of the Index Value. OMX Helsinki 25 Index began at a base value of 500.00 for the first time on the base date; March 4<sup>th</sup>, 1988.

### 3.5 ROUNDING

Index Values and volume weighted average prices, calculated in accordance with section 3.6 to 3.8 below, shall be rounded off to eight decimals. The Exchange information and clearing systems use a rounded Index Value with two decimals.

### 3.6 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)

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 Shares 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 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)

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

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 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.

### 3.7 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:

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

$GTR I_t$  = 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.

### 3.8 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)

$$NPR I_t = \frac{NTR Index Market Value_t}{NTR Index Divisor_t}$$

**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.**

$$Net IDP_t \text{ (Net Index Dividend Points)} = \frac{Net Index Dividend Market Value_t}{NTR Index Divisor_t}$$

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

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)

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

$NTR\ I_{t-1}$  = 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.

### 3.9 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 NASDAQ Helsinki, converted, where appropriate, into Euro, divided by the corresponding number of such shares. Conversion from the Index Share's currency into Euro takes place continuously throughout the trading day subject to the currency fix established by NASDAQ 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 Helsinki's trading system (INET) during the trading session which are reported in accordance with NASDAQ 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.

#### 3.9.1 EXPIRATION INDEX

In calculating the expiration index ("OMXH25EXP") for a given trading day, VWAP is applied for each Index Share according to section 3.8 above.

If NASDAQ considers that the price of one or more Index Shares on a particular trading day has been unduly influenced so that the OMXH25EXP Index or VWAP cannot be calculated in a representative way, NASDAQ 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. Such action may only be undertaken with the prior approval of the Exchange and shall be published in an index announcement.

If, for whatever reason, the OMXH25EXP 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. INDEX MAINTENANCE**

### **4.1 INDEX REBALANCING**

The Index is rebalanced semi-annually by applying changes in total shares outstanding that have been accumulated during the half year. Changes are made effective after the close of the last trading day in each of January and July. If the scheduled effective date is a holiday, the effective date may be adjusted to the subsequent day.

During the semi-annual rebalancing, data is cutoff after the last trading day in June and December, respectively. No changes are made to the Index from that cutoff until the semi-annual share change effective date with exception for corporate actions with a known ex-day.

#### **4.1.1 MARKET CAPITALIZATION LIMIT (CAPPING)**

If one or few Shares dominates the Index due to a large weight in the Index, two problems arise. The Shares or its industry may be over-represented in the Index and skew the Index performance compared to the investment universe of all Shares listed on NASDAQ Helsinki. The Index is no longer investible for a majority of the users who benchmark against the Index due to possible investment restrictions.

Consequently, to comply with demands of an investible Index, the capped version of the selected Indexes is constructed in a manner that complies with the investment restrictions implied by legislation regulating investments in funds.

The OMXH25 Index Shares are weight limited at ten per cent (10%) by limiting the number of shares in the Index effective the first trading day in February, May, August and November. Shares issued by the same body exceeding the 10 per cent limit will be capped at 10 per cent.

The start prices and start Index value on the effective date of the weight limitation is the preceding trading day's closing VWAP prices (see 3.8above).

## 4.2 INDEX SHARE CHANGES

The method regarding VWAP in section 3.8 above shall be applied in connection with Index Share changes under the following circumstances, with the exception for section 4.2.6 below.

### 4.2.1 TRADING VOLUME

If the trading volume in an Index Share, in the opinion of NASDAQ, is so low that the price quote for such share is no longer satisfactory, NASDAQ may decide that the share shall be excluded as an Index Share. This may apply when, for example, the Last Sale Price in the Index calculation deviates significantly from the current bid and ask prices. Such action shall, if possible, be provided in an index announcement not later than two trading days prior to the effective day, see section 6 below.

### 4.2.2 INFORMATION REQUIREMENTS

If a company does not fulfill the information requirements provided by NASDAQ Helsinki, NASDAQ may consider the Index Share to be ineligible. A decision may be taken to delete the Index Share from the Index. Such decisions shall be made by NASDAQ and notice thereof shall be given through an index announcement no later than two trading days prior to the effective day of the exclusion, see section 6 below.

### 4.2.3 MERGERS AND AQUISITIONS

In the case of merger or acquisition, the Index Share will be removed the day following the shareholder vote or the expected expiration of the tender offer, provided the acquisition is not contested. In the event the acquisition is contested, the deletion will occur once results have been received that indicate the acquisition is likely to be successful. If the approval is by written consent, the removal will occur as soon as a reasonably practical.

### 4.2.4 TAKE-OVER

If an Index Share becomes the object of a public take-over offer or a merger agreement, NASDAQ may decide that the Share shall no longer be included in the Index. In case NASDAQ decides that a replacement shall take place, the number of shares to be included in the Index calculation is determined by NASDAQ, in accordance with the terms of the offer or merger. The time for the replacement shall be determined by NASDAQ according to the following:

- + In case the new Index Share is listed on NASDAQ Helsinki before the last trading day for the existing Index Share, the replacement shall take place with effect from the new Index Share's second trading day; and
- + In case the Index Share is delisted from NASDAQ Helsinki before the first trading day of the new Index Share, the current Index Share shall be deleted from the Index calculation effective the day following its last trading day. The new Index Share shall be included in the Index calculation from the second trading day on NASDAQ Helsinki.

In the event the NASDAQ Helsinki decides to subsequently list the Index Share, which is Parallel Listed and where both listings are Index Shares, in only one currency, NASDAQ shall,

commencing on the trading day after the last day for trading in the Index Share which is subject to delisting, add the number of shares with which the outgoing Index Share is included in the Index calculation to the number of shares with which the remaining Index Share is included in the Index calculation at the time of delisting.

When an Index Share is Parallel Listed, NASDAQ can decide that either the most liquid listing, in NASDAQ's view, or both listings shall be included as Index Shares. An Index Share which is Parallel Listed shall normally be included in the the Index with the number of shares that are registered in Euroclear Finland at the time of each ordinary review of the Index composition. NASDAQ may decide that such a Parallel Listed Index Share shall be included in the Index, provided that an Index announcement is sent out at least ten trading days before such change takes effect.

A Parallel Listed Index Share is included in the Index calculation through the number of shares included in the Index Share being weighted downwards by the number of shares included in Parallel Listed Index Shares. The Parallel Listed Index Share is included at the VWAP, calculated during the day prior to the change. Upon calculation of the VWAP for the Index Share, the rules in section 3.8 above shall be applied.

#### **4.2.5 FAST ENTRY**

Where a company's shares are listed on NASDAQ Helsinki prior to the next change in the composition of the Index, the company's share may be considered as an extra Index Share, after NASDAQ's decision. In order for the company's shares to be considered as an extra Index Share, the company's market value must, in NASDAQ's assessment, be expected to constitute at least 5% of the exchange value of the Index and a high liquidity in the shares must be anticipated. In the event the company's shares are to become an extra Index Share, entry into the Index shall normally take place on the second trading day of listing of the share. The changes in the composition of the Index shall take place in accordance with the rules in section 4.2.7 below. The opening value shall normally be the VWAP on the first listing day calculated in accordance with the rules in section 3.8 above. In the event the company's shares become an extra Index Share when less than three months remain of the Control Period, the extra Index Share shall be included as an Index Share also during the subsequent calendar half year.

#### **4.2.6 BANKRUPTCY**

If a company files for bankruptcy, the Index Share will be removed from the Index as soon as practicable thereafter. The Index Share will be excluded at a price set to EUR 0, if no other applicable price can be observed on NASDAQ Helsinki.

#### **4.2.7 CHANGES IN THE INDEX COMPOSITION**

New Index Shares shall be included at VWAP, calculated according to section 3.8 above. On the first trading day in which a new Index Share is included in the Index, the calculation of the Index Value shall be based on the VWAP for the Index Share on the preceding trading day, until such time as the first transaction price for the Index Share is registered on NASDAQ Helsinki. During the last day an Index Share is included in the Index, the calculation of the Index Value shall be based on the VWAP.

## 4.3 INDEX SHARE MAINTENANCE

NASDAQ has the right to change the number of Index Shares in cases where the number of shares listed on NASDAQ Helsinki changes. Normally, such measures may only be taken in connection with a change in the composition of OMXH25.

# 5. CORPORATE ACTIONS

## 5.1 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 capitalisation 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.

## 5.2 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.

### 5.2.1 ORDINARY DIVIDENDS AND DISTRIBUTIONS

#### 5.2.1.1 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 NASDAQ's opinion.

#### 5.2.1.2 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 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 3.8 above.

Ordinary dividend is added to the calculation as Index Dividend Points according to section 3.7 and 3.8 above respectively

**5.2.2 EXTRAORDINARY DIVIDENDS AND DISTRIBUTIONS**

**5.2.2.1 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.

**5.3 BONUS ISSUE**

A bonus issue or stock dividend is an issue of shares free of charge to existing shareholders, the shares being brought into existence by the capitalization of the company's reserves. The new shares are issued in proportion to each shareholder's existing holding. The issue of bonus shares is merely an accounting transaction and results in 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 Share, the method described in section 5.6 below shall be applied. NASDAQ will increase the number of shares of the Index Share, by the number of additional shares, on the ex-day.

**5.4 REPURCHASE OF OWN SHARES**

In the event a company, whose shares constitute Index shares, repurchases its own shares at a premium through an offer directed to all of the company’s shareholders, NASDAQ shall adjust the start price of the Index Share on the ex-day with reduction for the theoretical value of the sales right.

Formula to calculate the theoretical value of the sales right:

$$\text{Value of a sales right} = \frac{(\text{Repurchase price} - P(t - 1))}{(\text{Number of shares required to sell one share} - 1)}$$

The number of shares included in OMXH25 shall be adjusted according to the terms of the repurchase offer on the ex-day.

If the sales right cannot be valued with the above method, the method in section 5.6 below shall be applied.

## 5.5 REDEMPTION OF SHARES / CANCELLATION OF OWN SHARES

Where a company, whose shares constitute Index Shares, resolves upon the redemption of shares at a premium directed to all shareholders, NASDAQ shall adjust the start price of the Index Share on the ex-day with reduction for the theoretical value of the redemption right.

Formula to calculate the theoretical value of the redemption right:

$$\text{Value of the redemption right} = \frac{(\text{Redemption price} - P(t - 1))}{(\text{Number of shares required to redeem one share} - 1)}$$

The number of shares included in OMXH25 shall be adjusted according to the terms of the redemption on the ex-day.

If the redemption right cannot be valued with the above method, the method in section 5.6 below shall be applied.

## 5.6 SPIN-OFF AND ADJUSTMENT FOR ISSUES

For the purpose of preventing share issues from affecting the Index Value, NASDAQ shall make adjustments to the Index in accordance with the provisions set forth below.

Notice of any adjustment shall be given in an Index announcement according to section 6 below. Whenever possible, such announcement shall be published not less than two trading days prior to the ex-day.

### 5.6.1 STANDARD METHOD

New share issue is an offer by a company to existing shareholders to take part in a new issue of shares. The new shares are offered in proportion to each shareholder's existing holding, generally at a reduced price. If a company carries out a new issue of shares, which in the opinion of NASDAQ 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 the share is listed on NASDAQ Helsinki without rights to participate in the issue. In a rights issue both the number of shares outstanding and market capitalization of the company increases.

It is assumed that the rights issue is fully subscribed. If the new shares deviate significantly from the Index Share, the method described in section 5.6.2 below shall be applied.



## 5.6.2 BASKET METHOD, VALUATION METHOD AND FIXED PRICE METHOD

When a company, the shares of which constitute an Index Share, other than as set out in section 5.6.1 above, carries out any of the following measures and where the shareholders have preferential rights of participation, the Basket Method, Valuation Method or the Fixed Price Method, as determined by the Index Calculator, shall be used. The Basket Method shall primarily be used, followed by, the Valuation Method and the Fixed Price Method. NASDAQ 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:

- (i) issue of convertible debentures, debenture certificates carrying subscription warrants or similar securities;
- (ii) offer to acquire securities or rights of any type or receive such securities or rights without consideration; and
- (iii) when a new issue is carried out which involves the issue of a new type of security having rights that in NASDAQ's opinion deviate significantly from the rights carried by the Index Share.

### **Basket Method**

The Basket Method may be used where the securities are considered eligible for index inclusion and registered on, or listed on NASDAQ Helsinki or any other exchange or market place approved by NASDAQ prior to or on the ex-day. The shares will be included in the Index as an extra Index Share on the ex-day and no adjustment will be made to the price of the distributing share. The start price of the extra Index Share will be set to zero (0). The extra Index Share will be calculated in the Index at VWAP according to section 3.8 above and will subsequently be removed from the Index at the end of the ex-day at that day's closing VWAP.

If the securities are to become registered with, or listed on, NASDAQ Helsinki or any other exchange or market place approved by NASDAQ 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 trading 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 VWAP and be removed from the Index at the end of the day at that day's closing VWAP.

Upon calculation of the VWAP in accordance with the previous paragraph, the rules in section 3.8 above shall be applied.

## **Valuation Method**

The Valuation Method may be used where the rights are listed on NASDAQ Helsinki or another exchange or market place approved by NASDAQ, or where when-issued futures are listed on NASDAQ Helsinki or another exchange or market place approved by NASDAQ. In such cases, the valuation shall be based on the VWAP of the rights or when-issued futures on the day prior to the ex-day. Upon calculation of the VWAP, the rules in section 3.8 above shall be applied.

Where valuation of the right can be calculated, the opening exchange price of the Index Share P i,t-1 on the ex-day shall be determined at the most recent price on the preceding trading day, less the calculated value of the right. Thereafter the regular Index calculation shall take place employing the most recent transaction prices from NASDAQ Helsinki or another exchange or market place approved by NASDAQ.

The Valuation Method can also be based on the median value from not less than five valuations from members of NASDAQ Helsinki. Where NASDAQ is of the opinion that the above valuations are 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.

## **Fixed Price Method**

During the trading day prior to the day the Index Share is listed on NASDAQ Helsinki without the right to participate in the issue or offer, the calculation of the Index Value shall be carried out in such a manner that the Index Share is calculated using VWAP in the Index. 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 trading day's VWAP on NASDAQ Helsinki (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 trading day on which the first trade is reported on NASDAQ Helsinki without the right to participate in the issue or offer is listed on NASDAQ Helsinki. For the trading day thereafter, a new market capitalization will be calculated for all Index Shares, using the most recently listed transaction prices on NASDAQ Helsinki, with the exception of the relevant Index Share which shall be calculated on the basis of the preceding trading day's VWAP (comparison price). The Index Value for the relevant Index Share shall thereafter be calculated on the basis of transaction prices from NASDAQ Helsinki.

Upon calculation of the VWAP in accordance with the previous paragraph, the rules in section 3.8 above shall be applied.

Where the ex-day for Index Share above occurs on the same day as the Index Share is available for trading ex dividends, the VWAP shall be decreased by the dividend amount or the extraordinary dividend amount in accordance with section 5.2 above.

## 5.7 OTHER ADJUSTMENTS

NASDAQ may, with respect to adjustments, make an adjustment in circumstances other than those specified above or decide to modify a provision regarding adjustment or not to implement an adjustment.

## 6 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.

## 7 GENERAL CORRECTION POLICY

Generally, the Index is 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, NASDAQ 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. If such a correction would occur, it will be announced according to the General Announcement Policy and new Index closing values will be provided as well as start of day and end of day Index weightings and summary report.

## 8 DISCRETIONARY ADJUSTMENTS

NASDAQ may, due to special circumstances, if deemed essential, apply discretionary adjustments to the Index.

## 9 ALTERNATIVE INFORMATION RETREIVAL

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 Helsinki, 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.

## INTELLECTUAL PROPERTY RIGHTS

NASDAQ and its affiliates are the sole and exclusive owners of all rights and titles to the Indexes and the trademarks related thereto. For any data used or products based on, or linked to, the Indexes, a license from NASDAQ or its affiliates is required.

This document and its contents may not be reproduced, redistributed, stored in retrieval system, or passed on, directly or indirectly, to any other person or published, or transmitted by any other form or means whether electronic, mechanical, photocopying, recording or otherwise in whole or in part, for any purpose without the prior written consent of NASDAQ or its affiliates.

## DISCLAIMER

NASDAQ may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity. NASDAQ may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. NASDAQ and its affiliates do not guarantee the accuracy or completeness of any Index or of the data used to calculate the Index or determine the Index components, or the uninterrupted or un-delayed calculation or dissemination of any Index. NASDAQ and its affiliates do not guarantee that any Index accurately reflects past, present, or future market performance.

## LIMITATION OF LIABILITY

NASDAQ and its affiliates assume no liability of any nature (including, but not limited to negligence) for any loss, damages, costs, claims and expenses related to or arising out of the use of the Indexes or any data included therein. NASDAQ and its affiliates expressly disclaims all warranties, expressed or implied, as to the availability, accuracy, uninterrupted calculation, completeness, merchantability or fitness for a particular purpose with respect to the Indexes or any data included therein. Neither NASDAQ, its affiliates nor any third party makes any express or implied warranties or representations with respect to the Indexes, the results to be obtained by their use or the value of the Indexes at any given time. Without limiting any of the foregoing, in no event shall NASDAQ or any of its affiliates have any liability for any direct damages, lost profits or special, incidental, punitive, indirect, or consequential damages, even if notified of the possibility of such damages.

## APPENDIX A – OMXH25 INDEXES

<b>Index Symbol</b>	<b>Index Name</b>	<b>ISIN</b>	<b>Calculation Method</b>	<b>Linked to PR Index</b>	<b>Linked GTR Index</b>	<b>No adjustment for Extraord. Dividends</b>
OMXH25	OMX Helsinki 25	FI0008900212	PR		OMXH25GI	
OMXH25DVP	OMX Helsinki 25 Dividend Point Index	FI4000090428	DIV	OMXH25		
OMXH25EXP	OMX Helsinki 25 Expiration	FI0008900451	PR			
OMXH25GI	OMX Helsinki 25 GI	FI4000090410	GTR	OMXH25		