

Ground Rules for the Management of the FTSE techMARK Indices

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SECTION 1

1.0 PURPOSE OF INDEX

- 1.1 The FTSE techMARK All-Share Index is designed to represent the performance of all constituents listed on the London Stock Exchange's techMARK.
- 1.2 techMARK is a market for innovative technology companies. Further details are available in Appendix B.
- 1.3 The FTSE techMARK 100 Index is designed to represent the performance of those techMARK companies not already widely covered within existing portfolios.
- 1.4 The FTSE techMARK mediscience Index is designed to represent the performance of those techMARK companies listed within the techMARK mediscience segment but not already widely covered within existing general UK equity portfolios. A list of the automatically qualifying subsectors for the mediscience segment is available in Appendix B.
- 1.5 The FTSE techMARK 100 and FTSE techMARK mediscience Indices use the FTSE techMARK All-Share Index as their universe of potential stocks.

SECTION 2

2.0 MANAGEMENT RESPONSIBILITIES

2.1 FTSE Index Review Board

The FTSE techMARK Indices are overseen by the FTSE Index Review Board. The FTSE Index Review Board is responsible for undertaking the periodic review of constituents, approving constituent changes and maintaining these Ground Rules subject to Rule 4.1.

2.2 FTSE

2.2.1 FTSE is responsible for calculating and managing the indices including the implementation of corporate events and actions according to the Ground Rules.

SECTION 3

3.0 ELIGIBLE SECURITIES AND WEIGHTINGS

- 3.1 All constituents of the London Stock Exchange's techMARK are eligible for inclusion in the Indices, whether domestic or foreign issues, and in any currency for which FTSE can obtain an accurate price.
- 3.2 Constituents have the same base weightings as in the FTSE UK Series Indices. The treatment of secondary lines of an individual constituent will be the same as in the FTSE UK Series Indices. Copies of the Ground Rules for the Management of The UK Series of the FTSE Actuaries Share Indices, which govern these weightings, are available from FTSE.
- 3.3 Constituents of the FTSE techMARK Indices which are not constituents of the FTSE UK Series will have their share and investibility weightings determined by the FTSE Index Review Board, who will, where appropriate use weightings from other FTSE indices, primarily the FTSE All-World Indices.
- 3.4 Constituents of the FTSE techMARK 100, FTSE techMARK mediscience & FTSE techMARK All-Share will be capped at the quarterly review.
- 3.5 Securities which do not turnover at least 0.5% of their shares in issue, after the application of any free float restrictions, per month for ten of the twelve months prior to review will not be eligible for inclusion to the FTSE techMARK 100 Index. An existing constituent failing to trade at least 0.5% of its shares in issue, after the application of any free float restrictions, per month for more than four of the twelve months prior to review will be removed.

SECTION 4

4.0 AMENDMENTS TO THE GROUND RULES

- 4.1 Changes and exceptions to these Ground Rules can be authorised only by the FTSE Index Review Board.
- 4.2 Where an exception is granted to the Ground Rules under Rule 4.1, it shall not be deemed to create a precedent for future decisions of the FTSE Index Review Board.

SECTION 5

5.0 APPEALS AGAINST DECISIONS OF THE FTSE INDEX REVIEW BOARD

- 5.1 A constituent or prospective constituent company (or broker or advisor acting on behalf of the company) may appeal against the decisions of the FTSE Index Review Board on two grounds:
- (a) that the FTSE Index Review Board acted outside of the Ground Rules for the Management of the FTSE techMARK Indices; or
 - (b) that the FTSE Index Review Board when reaching its decision failed to take into consideration a substantial and material fact. A substantial and material fact is defined as a fact that would have influenced the decision of the FTSE Index Review Board if it had been considered.
- 5.2 A request for an appeal must be made in writing to the Secretary of the FTSE Index Review Board must be received within six months of the application of the event giving rise to the appeal.

SECTION 6

6.0 INDEX QUALIFICATION CRITERIA

- 6.1 The FTSE techMARK All-Share Index comprises all companies in the London Stock Exchange's techMARK.
- 6.2 The top 100 companies under £4bn by full market capitalisation i.e. before the application of any investibility weightings or capping restrictions, on the London Stock Exchange's techMARK comprise the FTSE techMARK 100. This capitalisation limit may be adjusted annually in December by the FTSE Index Review Board, although exceptionally the FTSE Index Review Board may decide to review it quarterly. The FTSE Index Review Board will aim to adjust the capitalisation limit in such a way to ensure that techMARK companies smaller than existing constituents of the FTSE techMARK 100 are eligible for inclusion.
- 6.3 Constituents which subsequently rise in value above the capitalisation limit will continue as constituents of the FTSE techMARK 100 Index.
- 6.4 The FTSE techMARK mediscience Index comprises all companies in the FTSE techMARK All-Share that are within the techMARK mediscience segment (please see Appendix B) and are not constituents of the FTSE 100 Index or are non-UK companies of a similar size. Constituents of the FTSE 100 Index, as the result of the quarterly review of the UK Series, are excluded from the Index. Foreign companies that would, nationality notwithstanding, have been FTSE 100 constituents at each review, will also be excluded. In practice this means that foreign companies in the index will be removed if they reach a capitalisation larger than that of the 90th ranked UK company, and foreign companies not in the index will be included if their capitalisation falls below that of the 110th ranked UK company and they are otherwise eligible.

SECTION 7

7.0 PERIODIC REVIEW OF CONSTITUENTS (FTSE techMARK All-Share)

7.1 The FTSE techMARK All-Share Index will consist of all companies in the London Stock Exchange's techMARK. There will be no review of the index constituents; companies joining techMARK will be included in the FTSE techMARK All-Share Index after the close of business on the first day of official trading. Companies delisted from techMARK will be immediately removed from the FTSE techMARK indices.

7.1.2 If any constituent accounts for more than 10% (the cap level) of the weight of the FTSE techMARK All-Share Index, after the application of any investibility weightings, at the quarterly review (The weightings of constituents will move freely between review dates).

7.1.3 A cap level may therefore be applied to a constituent of the FTSE techMARK All-Share Index, but this may not be required for the same constituent in the FTSE techMARK mediscience index or the FTSE techMARK 100 index.

7.2 PERIODIC REVIEW OF CONSTITUENTS (FTSE techMARK 100 & FTSE techMARK mediscience)

7.3 The FTSE techMARK 100 & FTSE techMARK mediscience indices will be reviewed quarterly in December, March, June and September. The constituent reviews will be based on data collected after the close of the index calculation on the last trading day of November, February, May and August. Constituent changes will be implemented after the close of the index calculation on the third Friday in December, March, June and September.

7.4 Liquidity for all eligible constituents to the FTSE techMARK 100 Index will be tested annually in accordance with the requirements for the FTSE UK Indices Series Ground Rules (see Rule 4.10 for details).

7.4.1 New issues to techMARK, including demutualisations, which do not qualify as early entrants to the FTSE techMARK 100 Index as defined under Rule 8.8.1 will become eligible for inclusion at the next quarterly review of constituents providing they have, since the commencement of Official non-conditional trading, a minimum trading record of at least 20 trading days prior to the date of the review and turnover of a minimum of 0.5% of their shares in issue, after the application of any investibility weightings, per month in each month.

SECTION 7

- 7.5 The share and investibility weightings of an individual constituent (unless it is capped) will be the same as in the FTSE UK Series. Constituents of the FTSE techMARK Index which are not constituents of the FTSE UK Series will have their share and investibility weightings determined by the FTSE Index Review Board.
- 7.6 The periodic review of constituents of the FTSE techMARK 100 index will be conducted using the following steps:
- 7.6.1 Using a database of all constituents of the FTSE techMARK All-Share Index;
- 7.6.2 Remove from the database those companies with full market capitalisations i.e. before the application of any investibility weightings, above £4bn (or the limit set at that review) that are not existing constituents of the FTSE techMARK 100;
- 7.6.3 Rank all remaining companies, that pass the liquidity test (see Rule 7.4), by full market capitalisation i.e. before the application of any investibility weightings;
- 7.6.4 Existing constituents which have fallen to position 111 or below will qualify to be removed from the Index at the periodic review;
- 7.6.5 Non-constituents which have risen to position 90 or above will qualify to be included in the Index at the periodic review;
- 7.6.6 Where a greater number of securities qualify to be included in the Index than those qualifying to be removed, the lowest ranking securities presently included in the Index will be removed to ensure that the number of securities remains constant. Likewise, where a greater number of securities qualify to be removed from the Index than those qualifying for inclusion, the highest ranking securities which are presently not in the Index will be included to match the number of securities being removed at the periodic review;
- 7.6.7 If any constituent accounts for more than 10% of the weight of the FTSE techMARK 100 Index, after the application of any investibility weightings, the capping procedure is invoked (The weighting of constituents will move freely between review dates);
- 7.6.8 A cap level may therefore be applied to a constituent of the FTSE techMARK 100 index, but this may not be required for the same constituent in the FTSE techMARK All-Share Index and vice versa;.

SECTION 7

- 7.7 The periodic review of constituents of the FTSE techMARK mediscience index will be conducted using the following steps:
- 7.7.1 Using a database of all constituents of the FTSE techMARK All-Share Index;
 - 7.7.2 Remove companies not part of the techMARK mediscience segment (see Appendix B.)
 - 7.7.3 Remove from the database any constituent changes to the FTSE 100 Index as announced by the FTSE Europe/ Middle East/Africa Regional Committee at its quarterly meetings and will therefore be conducted before the implementation date of these changes
 - 7.7.4 Remove any non-constituent foreign companies listed on techMARK, whose capitalisation is greater than that of the 90th ranked UK company (ie one that would be eligible for the FTSE 100 if a UK company);
 - 7.7.5 Remove any constituent foreign company whose capitalisation is greater than that of the 111th ranked UK company (i.e. one that would remain in the FTSE 100 if a constituent);
 - 7.7.7 If any constituent accounts for more than 10% of the weight of the FTSE techMARK mediscience Index, after the application of any investibility weightings, the capping procedure is invoked. (The weighting of constituents will move freely between review dates);
 - 7.7.8 A cap level may therefore be applied to a constituent of the FTSE techMARK mediscience index, but this may not be required for the same constituent in the FTSE techMARK All-Share Index and vice versa.

SECTION 8

8.0 CHANGES TO CONSTITUENT COMPANIES OTHER THAN AT PERIODIC REVIEWS (FTSE techMARK All-Share)

8.1 Removal and Replacement

8.1.1 If a constituent ceases to be a constituent of the London Stock Exchange's techMARK or has, in the opinion of FTSE, ceased to be a viable constituent as defined by these Ground Rules, it will be removed from the FTSE techMARK All-Share Index.

8.1.2 The removal is effected before the start of the index calculation on the business day following the day on which the event justifying removal was announced. Announcements after close of the index calculation are normally deemed to be made on the following business day. In the case of a takeover, the qualifying event is an announcement that the offer has been declared wholly unconditional.

8.1.3 Constituents removed in accordance with Rule 8.1.1, but which continue to trade thereafter will be considered for re-inclusion to the index, subject to Ground Rule 3.0 and that at least 6 months has passed between the deletion and the re-admission date.

8.2 Mergers, Restructuring and Complex Takeovers

8.2.1 If the effect of a merger or takeover is that one constituent is absorbed by another constituent the resulting company will remain a constituent of the Index.

8.2.2 If a constituent company is taken over by a non-constituent company, the original constituent will be removed. Any eligible company resulting from the take over will be immediately eligible for the FTSE techMARK All-Share Index.

8.2.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents if they qualify in all other respects.

8.4 Suspension of Dealing

8.4.1 The handling of constituent suspensions will be governed by the FTSE UK Series Ground Rules.

SECTION 8

8.5 CHANGES TO CONSTITUENT COMPANIES OTHER THAN AT PERIODIC REVIEWS (FTSE techMARK 100)

8.6 Removal and Replacement

8.6.1 If a constituent ceases to be a constituent of the London Stock Exchange techMARK or has, in the opinion of FTSE, ceased to be a viable constituent as defined by these Ground Rules, it will be removed from the FTSE techMARK 100 and replaced by the highest ranking non-constituent security which qualifies in all other respects, as at the close of the index calculation two days prior to deletion.

8.6.2 The removal and replacement are effected simultaneously, before the start of the index calculation on the day following the day on which the event justifying removal was announced. Announcements after close of the index calculation are normally deemed to be made on the following business day. In the case of a takeover, the qualifying event is an announcement that the offer has been declared wholly unconditional.

8.6.3 Constituents removed in accordance with Rule 8.6.2, but which continue to trade thereafter will be considered for re-inclusion to the index at the next review, subject to Ground Rule 3.0 and that at least 6 months has passed between deletion and the implementation date of the changes arising from the review.

8.7 Mergers, Restructuring and Complex Takeovers

8.7.1 If the effect of a merger or takeover is that one constituent is absorbed by another constituent the resulting company will remain a constituent of the Index, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking non-constituent security which qualifies in all other respects, as at close of the index calculation two days prior to deletion.

8.7.2 If a constituent company is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent security which qualifies in all other respects as at the close of the index calculation two days prior to deletion. Any eligible company resulting from the take over will be eligible to become the replacement company if it is ranked higher than any other non-constituent.

8.7.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents if their respective full market capitalisation(s) i.e. before the application of any investibility weightings, are large enough to qualify, and if they qualify in all other respects. Where both new companies remain in the FTSE techMARK 100 Index, the smallest FTSE techMARK 100 constituent will be selected for removal, but will remain a constituent of the FTSE techMARK All-Share Index.

SECTION 8

8.8 New Issues

8.8.1 If, in the view of the FTSE Index Review Board, a new issue is so large (i.e. its full market capitalisation before the application of any investibility weightings amounts to 2.0% or more of the Index market capitalisation) that the effectiveness of the Index as a market indicator would be significantly and adversely affected by its omission, the FTSE Index Review Board may decide to include the new issue as a constituent of the Index if it qualifies in all other respects. In such a case, the FTSE Index Review Board will normally include the company after the close of business on the first day of official trading and advance notification will be given accordingly. The security which is the lowest ranking constituent of the Index will be selected for removal. Such inclusions do not have to fulfil the liquidity requirements detailed under rule 3.6. In the event of a fast entry, the FTSE techMARK 100 will be recapped.

8.8.2 New issues of companies which do not qualify for early entry, but which meet the criteria for eligible securities set out in Ground Rule 3 will be eligible for inclusion at the next review (see Rule 7.2).

8.8.3 If the FTSE Index Review Board decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

8.9 Suspension of Dealing

8.9.1 The handling of constituent suspensions will be governed by the FTSE UK Series Ground Rules.

8.10 CHANGES TO CONSTITUENT COMPANIES OTHER THAN AT PERIODIC REVIEWS (FTSE techMARK mediscience)

8.11 Removal and Replacement

8.11.1 If a constituent ceases to be a constituent of the London Stock Exchange's techMARK or has, in the opinion of FTSE, ceased to be a viable constituent as defined by these Ground Rules, it will be removed from the FTSE techMARK mediscience Index.

8.11.2 The removal is effected before the start of the index calculation on the business day following the day on which the event justifying removal was announced. Announcements after close of the index calculation are normally deemed to be made on the following business day. In the case of a takeover, the qualifying event is an announcement that the offer has been declared wholly unconditional.

SECTION 8

8.11.3 Constituents removed in accordance with Rule 8.11.1, but which continue to trade thereafter will be considered for re-inclusion to the index, subject to Ground Rule 3.0 and that at least 6 months has passed between the deletion and the re-admission date.

8.12 Mergers, Restructuring and Complex Takeovers

8.12.1 If the effect of a merger or takeover is that one constituent is absorbed by another constituent the resulting company will remain a constituent of the Index.

8.12.2 If a constituent company is taken over by a non-constituent company, the original constituent will be removed. Any eligible company resulting from the take over will be immediately eligible for the FTSE techMARK mediscience Index.

8.12.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents if they qualify in all other respects.

8.13 Suspension of Dealing

8.13.1 The handling of constituent suspensions will be governed by the FTSE UK Series Ground Rules.

SECTION 9

9.0 CHANGES TO CONSTITUENT WEIGHTINGS

- 9.1 The number of shares and free float weightings in the index will be the same as those used for the FTSE UK series, excepting foreign stocks, where the weightings will be set by the FTSE Index Review Board.
- 9.2 Adjustments to reflect a change in the amount or structure of a constituent company's issued capital must be made before the start of the index calculation on the day on which the change takes effect (e.g. the Ex Date for a rights or capitalisation issue). Announcements of corporate events which are made after the close of the index calculation are normally deemed to be made on the following day.
- 9.3 Adjustments to reflect less significant changes (e.g. the issue of an additional block of shares under an employees' equity scheme) will be implemented before the start of the index calculation on the day following the announcement of the change.
- 9.4 All adjustments are made before the start of the index calculation on the day concerned and are carried out concurrently with the same change in the FTSE UK Indices, unless market conditions prevent this.

SECTION 10

10.0 PUBLICATION OF INFORMATION

- 10.1 FTSE and the London Stock Exchange shall ensure that the following information on the indices is widely published:
- a) Index values (Capital and Total Return)
 - b) List of constituents
 - c) Changes to constituents
 - d) Changes and amendments to the Ground Rules
 - e) Details of any recalculations or calculation amendments.
- 10.2 Constituent prices, weightings and other stock data together with statistics on the indices are available from FTSE. For information on contacting FTSE please see Appendix E.

APPENDIX A

INDICES ALGORITHM AND CALCULATION METHOD

- 1.1 The Indices will use actual trades on SETS and SETSmm or mid prices for securities with SEAQ or SEATS quotations.
- 1.2 The Indices will be calculated during the opening hours of the London Stock Exchange.
- 1.3 The Indices will be displayed to two decimal points.
- 1.4 The Indices will be calculated in sterling, with end of day values also in Euros.
- 1.5 Dividends
 - 1.5.1 The dividends used are the actual dividends for each stock which are applied to the stock on the relevant ex dividend date.

1.6 The Indices are calculated using the following formula:

The actual trade price of non sterling constituents are converted into pounds sterling and the indices are then calculated using the algorithm described below.

$$\frac{\sum_{i=1}^n ((p_i \cdot e) \cdot s_i \cdot c_i \cdot f_i)}{d}$$

$$i = 1, 2, 3, \dots, n$$

n	=		The number of securities in the Index.
P	=	Price	The latest trade price of the component security (or the price at the close of the Index on the previous day)
e	=	Exchange Rate	The exchange rate required to convert the security's home currency into the index's base currency.
s	=	Shares in Issue	The number of shares in issue used by FTSE for the security, as defined in these Ground Rules.
f	=	Free Float Factor	The factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. The free float factor for each security is published by FTSE.
c	=	Capping Factor	The factor applied to each security to allow its weight within the index to be capped, expressed as a number between 0 and 1 where 1 represents 100%, i.e. no cap. The capping factor is published by FTSE.
d	=	Divisor	A figure that represents the total issued share capital of the Index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the Index.

APPENDIX B

QUALIFYING FOR INCLUSION IN techMARK and techMARK mediscience

- 1.0 All companies applying for techMARK and techMARK mediscience are assessed individually by the London Stock Exchange with advice from an independent panel of experts, where necessary. The constituents of techMARK and techMARK mediscience are reviewed on an ongoing basis to assess their continued suitability.
- 2.0 techMARK companies from the following Industry Classification Benchmark (ICB) Subsectors currently automatically qualify for techMARK mediscience:

Pharmaceuticals (4577), Biotechnology (4573), Medical Equipment (4535), Medical Supplies (4537)
- 3.0 Further information about the London Stock Exchanges' admission and disclosure standards and the eligibility criteria for techMARK and techMARK mediscience are available from: www.londonstockexchange.com/techmark

APPENDIX C

GUIDE TO CALCULATION METHODS

- 1.0 Introduction.
- 1.1 The FTSE techMARK Indices are arithmetic weighted indices where the weights are the investible market capitalisations of each company. The price index is the summation of the investible market values (i.e. the capitalisations after the application of any investibility weightings) of all companies within the index and each constituent company is weighted by its investible market value, but see 3.2.
- 2.0 Treatment of Foreign Dividends
 - 2.1 Dividends received in a foreign currency will be converted to sterling using WM/Reuters 1600 rates on the day preceding the xd date before entering any calculations. The value of the dividend will then be fixed, and not subject to exchange rate fluctuations.
- 3.0 Capping
 - 3.1 The indices are capped using an iterative process to adjust downwards the weight of each constituent, including fast entrants to the FTSE techMARK 100, that account for more than 10% of the weight of the FTSE techMARK 100, FTSE techMARK All-Share or FTSE techMARK Mediscience index after the application of any investibility weightings. Capping is calculated at the time of review.
 - 3.2 If a company is capped, corporate actions will be applied in the normal way i.e. the company's "capping factor" will remain unchanged.
 - 3.3 Liquidity
 - 3.3.1 When calculating trading volumes for FTSE techMARK 100 stocks, each month's total turnover will be multiplied by a factor of 0.75 for those stocks that trade on SETS and SETSmm and 0.50 for those that trade on SEAQ.
 - 3.3.2 If a stock is transferred from AIM to the Official List, only the period during which the stock was listed on the Official List will be considered eligible for liquidity analysis i.e. if a stock transfers from AIM to the Official List within 20 days of the date of the review, it will be considered ineligible for inclusion to the FTSE techMARK 100 Index.
 - 3.3.3 This period of 20 days will be calculated back from the review date i.e. last working day in February, May, August and November. Please note that because of this, the 20 day period will differ from the 20 day period used in the review of stocks for the UK Series.

- 3.3.4 Any period when a share is suspended will be excluded from the liquidity analysis.

APPENDIX D

APPLICATION OF CAPPING AT REVIEWS

Capping is applied to the constituents of the FTSE techMARK 100, FTSE techMARK AllShare or FTSE techMARK mediscience Indices, if required, by the following methodology:-

The constituents in the appropriate index are ranked by investible market capitalisation and the weight for each constituent in the Index is determined.

STAGE 1

Any constituents whose weights are greater than 10% are capped at 10%. The weights of all lower ranking constituents are increased correspondingly. The weights of lower ranking constituents are then checked and if they exceed 10% they are also capped at 10%. This process is repeated until no constituent weight exceeds 10%.

STAGE 2

Following the application of Stage 1, if the total index weight of those constituents whose individual weights exceed 5% is greater than 40% in aggregate, the procedure moves onto Stage 3 below. Otherwise no further action is required.

STAGE 3

- a) If more than one stock is capped at 10%, then weights of all subsequent constituents previously capped at 10% are changed in accordance with the rules detailed below. For example, if the second largest stock is capped at 10% its weight will be reduced to 9% as given in 1) below. The process is then continued from the relevant point in the steps below. Thus, if it is necessary to apply the provisions of Stage 3, only one constituent will have a 10% weight in the index.
- b) If the weight of the second largest constituent is greater than 9% the constituent's weight is capped at 9% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.
- c) If the weight of the third largest constituent is greater than 8% the constituent's weight is capped at 8% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.

- d) If the weight of the fourth largest constituent is greater than 7% the constituent's weight is capped at 7% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.
- e) If the weight of the fifth largest constituent is greater than 6% the constituent's weight is capped at 6% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.
- f) If the weights of the sixth largest constituent and any lower ranking constituents are greater than 4% those constituents' weights are capped at 4% and the weights of lower ranking constituents are increased correspondingly.

STAGE 4

Following the application of Stage 3, the weights of each constituent are checked. If the total index weight of those constituents whose individual weights exceed 5% is greater than 40% in aggregate, then further capping is required. Firstly if the largest constituents' weight has risen above 10% the weight is again capped at 10% and the weights of other constituents are adjusted accordingly. Then Stage 3 is repeated.

APPENDIX E

Further information on the FTSE techMARK Indices is available from FTSE, who will also welcome comments on these Ground Rules and on the Indices.

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