

# **SGI GLOBAL SECURITY**

(EUR – Net Total Return)

## **Index Rules Summary**

Version as of 10 June 2007

## **1 Index Summary Description:**

### **Index Description**

SGI Global Security (the “**Index**”) attempts to capture the total return performance of stocks issued by companies which have a significant part of their activities dedicated to the security businesses, both physical (eg. guarding, asset tagging, biometrics, prison management) and technological (eg. internet security).

The Index is calculated and published by Standard & Poor’s, a division of the McGraw-Hill Companies, Inc (the “**Index Calculation Agent**”).

The Index is calculated real-time.

### **Index Strategy**

The Index components are reviewed by Société Générale (the “**Index Sponsor**”) every six months in order to reflect changes due to new entrants, corporate actions, as well as potential changes in the core activities of companies, to ensure the continuous relevance of the stock selection. The Index Sponsor reserves the right to exclude from the list of Index components stocks whose free-float adjusted market capitalization at the time of review is less than EUR 500 million, or local currency equivalent, and stocks whose average daily trading volume over the preceding six months has been less than EUR 1 million, or local currency equivalent. Index components are reviewed and included, with an objective of sector and geographical diversification, as assessed by the Index Sponsor based on publicly available company activity information. The Index components are included proportionally to their free-float adjusted market capitalizations as assessed by the Index Sponsor. The largest constituents are capped at 10%.

On the Index launch date, composition of the Index is 58% physical security and 42% technology security. It is invested 46% in North America, 28% in Europe, 18% in Japan and 8% in the rest of the World. These proportions, both geographic and in terms of sectors, are subject to review if deemed appropriate by the Index Sponsor in the face of changing economic dynamics. The number of stocks (30 at inception) in the Index is subject to change but shall be no greater than 50 and no smaller than 20.

Upon request, S&P can provide the detailed Index Rules.