

S&P Dow Jones Indices Announces Updates to the Equity Indices Policies & Practices and Float Adjustment Methodologies

NEW YORK, MARCH 22, 2017: S&P Dow Jones Indices (S&P DJI) announced today updates to its Equity Indices Policies & Practices and Float Adjustment methodology documents. The following changes are effective immediately.

Equity Indices Policy & Practices Methodology

Following a consultation with members of the investment community on potential changes to the treatment of Japanese dividends and highly dilutive rights, S&P DJI is updating the policy, as detailed in the following section, for Japanese dividends based on a majority of favorable client feedback. Based on mixed feedback to the proposed changes for the highly dilutive rights policy, S&P DJI is not making any changes to the policy at this time.

Japanese Dividend Treatment Change. The majority of dividends in Japan are provided in estimated amounts on their ex-date. Under S&P DJI's current treatment, if an estimated dividend is provided, the estimated dividend is reinvested into the index on the ex-date. If no estimate is provided by the company then a dividend amount of zero is recognized on the ex-date. Once the company announces the actual dividend amount, S&P DJI reinvests the difference between the estimated and confirmed dividend amount using the Post Ex-Date Dividend calculation methodology.

Under S&P DJI's new policy, if an estimated dividend is provided, the estimated dividend is reinvested into the index on the ex-date. For companies that do not provide estimates but have a historical pattern of paying dividends, the estimate is calculated as the previous year's dividend amount adjusted for any split/bonus issues. If no dividend was paid in the same period of the prior year and an estimated dividend is not available, no dividend amount is reinvested on the ex-date. Once the company announces the actual dividend amount, S&P DJI reinvests the difference between the estimated and confirmed dividend amount using the Post Ex-Date Dividend calculation methodology.

Please refer to the Dividend policy section of S&P Dow Jones Indices' Equity Indices Policy & Practices Methodology for further detail.

Unexpected Exchange Closures. This section will be updated to account for the following related to U.S. markets:

- If an impacted exchange has an unexpected closure prior to 3:00 PM ET and is not expected to reopen before 3:00 PM ET, events are not moved. Corporate actions, including additions and deletions to an index, and share/IWF events scheduled for implementation at the close on that day are implemented as originally scheduled. All index changes are implemented using prices determined by the exchange based on SEC Rule 123C.

- If at least one exchange has an unexpected closure after 3:00 PM ET, all additions and deletions to an index, and share/IWF changes scheduled for implementation at the close on that day are moved to the close of the next trading date. This includes actions involving stocks whose primary exchange is unaffected by the outage. Closing prices are determined by the exchange based on SEC Rule 123C.
- If at least one exchange has an unexpected closure after 3:00 PM ET on the day of an index rebalancing implementation, all additions, deletions, and share/IWF changes scheduled for implementation at the close on that day are moved to the close of the next trading date. This includes actions involving stocks whose primary exchange is unaffected by the outage. Closing prices are determined by the exchange based on SEC Rule 123C.

Index Policy. This section will be updated to account for the following related to the calculation of the Special Open Quotation (SOQ):

- **U.S. Markets.** If the exchange is unable to provide official opening prices, that day's official closing prices are utilized in the SOQ calculation based on SEC Rule 123C.
- **Non-U.S. Markets.** If the exchange is unable to provide official opening prices, that day's official closing prices are utilized. If the exchange is unable to provide official opening or closing prices, the previous day's closing prices adjusted for corporate actions are utilized in the SOQ calculation.
- **Suspended Stocks.** For stocks that are suspended from trading on an exchange but are still in indices, S&P DJI synthetically derives an SOQ for the suspended security using the deal ratio terms and the opening price of the acquiring company if the acquirer is issuing stock as part of the merger. If the acquirer is paying cash only, the lower of the previous official close price or the deal cash amount is used in the calculation of the SOQ.

Spin-Offs. This section will be updated to account for a scenario whereby the spin-off entity does not trade for 20 consecutive trading days after the payable date and there is no guidance issued for when trading may commence. In such a scenario, S&P DJI may decide to remove the spin-off security at a zero price with advance notice given to clients.

Recalculation Policy for S&P Dow Jones Indices' Equity Indices. S&P DJI has updated its recalculation policy pertaining to the guidelines used by S&P DJI to determine whether or not to recalculate an index. Please refer to S&P Dow Jones Indices' Equity Indices Policy & Practices Methodology for the full guidelines.

Float Adjustment Methodology

The Float Adjustment Methodology will be updated to reflect the following:

- **Regional Variations.** This section has been added to highlight differences in data sources used for the Canadian, Mexican, and Bangladeshi markets.
- **Foreign Investment Limits.** This section will be updated to indicate that statutory limits of foreign ownership, known as Degree of Freedom (DOF), are reviewed on a quarterly basis.

Please note that S&P Dow Jones Indices' Equity Indices Policies & Practices and Float Adjustment Methodologies are available on our Web site, www.spdji.com.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

INDEX ANNOUNCEMENT

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[®]. More assets are invested in products based on our indices than based on any other provider in the world. With over 1,000,000 indices and more than 120 years of experience constructing innovative and transparent solutions, S&P Dow Jones Indices defines the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

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