

Equity Indices Policies & Practices ***Methodology***

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Introduction

Overview

S&P Dow Jones Indices' (S&P DJI) equity indices adhere to the general policies and practices covering corporate action treatment, index applications, pricing guidelines, market disruptions, recalculations, and other policies outlined below.

However, please note that local market practices may take precedence over general S&P DJI policies & practices in some instances, so there are exceptions and/or special rules pertaining to those markets. If an index methodology specifies a different approach than the general approach stated within this policy document, the rules stated in the index methodology take precedence. To the extent possible, the implementation and timing is the same across all S&P DJI's branded equity indices. For specific information on the policies and practices governing an index, please refer to the respective index methodology.

Corporate Action Treatment by Index Categorization

S&P DJI's index calculation and corporate action treatments vary according to the categorization of the indices. At a broad level, indices are defined into two categorizations: Market Capitalization Weighted and Non-Market Capitalization Weighted Indices.

A majority of S&P DJI's equity indices are market capitalization weighted and float-adjusted, where each stock's weight in the index is proportional to its float-adjusted market value. S&P DJI also offers capped versions of market capitalization weighted indices, where single index constituents or defined groups of index constituents, such as sector or geographical groups, are confined to a maximum weight. The default treatment in this document assumes a market capitalization weighted index.

Non-market capitalization weighted indices include those that are not weighted by float-adjusted market capitalization and generally are not affected by notional market capitalization changes resulting from corporate actions. Examples include indices that apply equal weighting, factor weighting such as dividend yield or volatility, strategic tilts, thematic weighting, price weighting, or other alternative weighting schemes.

Additions and Deletions

Additions and deletions of securities to indices can occur for a number of reasons. For indices that do not have a fixed number of constituents, additions and deletions are not linked to one another. For certain indices with a fixed number of constituents, whenever there is a deletion from an index, a replacement is added to the index, preferably on the same day. In other instances, indices can have a fixed number of constituents at each rebalancing with the constituent count fluctuating between rebalancings. In these situations, if an index has a targeted constituent count of 30 or less and more than 10% of the constituent count between rebalancing dates is removed from the index due to mergers, acquisitions, takeovers, delistings, bankruptcies, or other reasons that warrant ineligibility, the index will be reviewed by the Index Committee to determine when replacement securities will be added to the index.

Initial Public Offerings (IPOs) and Direct Listings. IPO and direct listing additions to indices typically take place on the rebalancing dates. In general, IPOs and direct listings must meet the index eligibility criteria, and in certain cases, large offerings may qualify for fast track entry.

Data Availability. IPOs and direct listings for which S&P Dow Jones Indices is unable to confirm the number of shares and/or calculate an accurate Investable Weight Factors (“IWFs”) based on available information are not considered for fast track entry, and in instances where this information is not available before a rebalancing cut-off reference date, may not be eligible for inclusion during the rebalancing.

Delistings. A security is generally dropped from all the indices it is a constituent of on or around its expected delisting date. Securities removed from an index due to voluntary delisting or failure to meet the exchange listing requirements, are removed at the primary exchange price, if available, or at a zero price if no primary exchange price is available. In some cases, where a stock’s listing changes to an exchange not maintained by S&P DJI, the stock is removed using the last traded price on the prior exchange. For U.S. listed securities, non-bankrupt securities are removed at the OTC or pink sheet price if no primary exchange price is available. If no OTC or pink sheet price is available, the security can be removed at a zero price at the discretion of the Index Committee.

The Index Committee retains the right to exercise discretion to accelerate or delay deletions, to apply exceptions where market disruption or data gaps exist, and to determine notice periods and effective dates.

Please refer to Mergers & Acquisitions for information on deletions due to M&A events.

For more information on these event types, please refer to Bankruptcies, Liquidations, and Stock Suspensions

Note: Every index methodology has its own guidelines and thresholds for determining additions and deletions, and the timing of these actions. Please refer to the respective individual index methodology for further clarity on the timing of changes to the given index.

Mandatory Events

Mergers & Acquisitions

Merger & Acquisition (M&A) corporate action events often result in changes to index membership, shares outstanding, and IWFs for index constituents. S&P DJI attempts, on a best-efforts basis, to mimic index clients' real-world experiences when processing M&A events. S&P DJI's index analysts track and review all M&A events on an individual, case-by-case basis.

Event Finalization. S&P DJI's branded indices generally implement ("finalize") M&A driven changes according to the below, with any action taken based on the publicly available information related to the event:

- at least one (1) business days' notice for all non-Depository Receipts (DR) U.S. listed stocks
- at least two (2) business days' notice for all non-U.S. listed stocks, U.S. listed DRs, and inter-listed stocks.

For mergers involving shareholder elections, S&P DJI generally recognizes the event based on the default election terms. In certain cases, and with the defined advance notice to clients, S&P DJI may decide to recognize an event using alternative election terms.

Any share issuance for the acquirer is implemented to coincide with the drop event for the target. To minimize turnover, there is no minimum threshold requirement for implementation of an M&A driven share/IWF change.

S&P DJI may, in certain cases, exercise discretion to accumulate and implement de minimis M&A share changes with the quarterly share rebalancing. M&A share/IWF changes for an index company acquiring a privately held company, or a company not part of any S&P DJI-maintained indices, are implemented at the next quarterly rebalancing.

Target Deletion. S&P DJI generally removes an M&A target company from all indices on or around the expected delisting, or last trading, date. In certain scenarios a target company may be removed before its delisting date, according to the below:

- The M&A event is deemed unconditional, i.e., all required approvals are received and all conditions for the acquisition to complete are met.
- For Tender offers:
 - All conditions are met, and there is an announced settlement date.
 - The remaining free float is less than 15% (except where pre-event free float is less than 15%) as based on publicly available information, even if the tender offer is still open.

Where these conditions are met, the deletion is generally effective prior to the open of the business day following the last day of the tender period, subject to the notice periods specified above.

Any stock removed from an index due to the above rule is ineligible for re-inclusion in any S&P DJI branded index for at least 12 months following the stock's removal date, even if the stock continues to trade on an eligible exchange.

Deletion Price. Generally, S&P DJI implements deletions using the security's closing price on the deletion date. If the primary exchange suspends or halts an M&A target security prior to S&P DJI's announced effective deletion date, the removal is implemented as follows:

- Cash Consideration Events: S&P DJI removes the security at the market close price or the deal price, whichever is lower.
- Stock Consideration Events: S&P DJI synthetically derives a price for the suspended security using the deal ratio terms, provided the acquirer is issuing stock as part of the merger. The synthetically derived price is used in index calculations until S&P DJI's deletion date.

If any other pricing mechanism is used, the final decision regarding the pricing method is at the discretion of S&P DJI and is announced to clients with sufficient notice.

Target Security Float Change. For events where conditions for the removal of a security are not met, or where the intention is a partial acquisition, S&P DJI may decide to update the IWF of the target security with at least two (2) business days' notice. Such a decision is based on publicly available information in the following circumstances:

1. The Offer Period is over, and the Acquiring company does not announce an extension or re-opening. The following conditions must be met:
 - a. All required approvals have been received and conditions for the offer are met.
 - b. Public information is available to calculate the new IWF.
 - c. Settlement date of the tendered shares is known.
 - d. Size of the change is at least 5% and US\$ 150 million or US\$ 1 billion.
2. The Offer Period is extended, or an additional offer period is opened/announced, and the following conditions are met:
 - a. All required approvals have been received and conditions for the offer are met.
 - b. Public information is available to calculate the new IWF.
 - c. Settlement date of the tendered shares is known.
 - d. Size of the change is at least US\$ 1 billion or IWF changes by at least 15%.

If an IWF change does not meet any of the above conditions, the IWF updates at the subsequent quarterly rebalancing, subject to all required information being publicly available. If the stock is suspended, the event is recognized once trading resumes and follows the above process.

For more information on the timing of share changes, please refer to the Non-Mandatory Share and Investable Weight Factor (IWF) Updates chapter.

S&P DJI believes turnover in index membership should be avoided when possible. An otherwise eligible addition is generally not added to indices at a rebalancing if the company is the target of a confirmed M&A event. Current index constituents are generally not deleted at a rebalancing solely for the reason of being the target of a pending acquisition.

At the discretion of S&P DJI, constituents with shareholder ownership restrictions defined in company bylaws may be deemed ineligible for inclusion in an index. Ownership restrictions preventing entities from replicating the index weight of a stock may be excluded from the eligible universe or removed from the index.

Reverse Mergers/Takeovers

Acquisitions for shares of a public company by a private company or by a subsidiary of a public company that will then list, also known as reverse takeovers, will generally be implemented via a change of the company/stock name, and all other identifiers of the target of the acquisition and current index constituent. These events are generally triggered by a reorganization of the acquiring company's capitalization. In order to align all attributes of the newly listed company to the former entity, S&P DJI

might apply a split event to the number of shares and share price of the parent according to the terms of the takeover.

In instances where a price adjusting corporate action with a cash component becomes non-replicable for clients due to late information, SP DJI may decide to use a temporary placeholder security to ensure clients have at least one day's notice.

Tendered Shares

Generally, index changes due to tender offers are only implemented after the final results of the tender offer are publicly announced and verified by S&P DJI.

In certain markets, tendered shares may be replaced with a tradable tendered share class on the same stock exchange. S&P DJI will consider replacing the common share line with the tendered share class in indices once a minimum acceptance ratio of 75% has been reached and subject to the announcement of a further acceptance period.

If S&P DJI decides to replace the common share line with the tendered line, an announcement will be issued with one to five business days' notice with a replacement effective date timed to occur during the subsequent acceptance period. No changes will be made to the tendered shares outstanding, IWF, divisor, or index weighting. Identifiers are updated if necessary.

Spin-Offs

Treatment of Spin-Offs in Market Capitalization Indices

As a general policy, a spin-off security is added to all indices where the parent security is a constituent, at a zero price at the market close of the day before the ex-date (with no divisor adjustment). The spin-off security will remain in the parent's indices if it meets the eligibility criteria.

If a spin-off security is determined to be ineligible to remain in the index, it will be removed after at least one day of regular way trading (with a divisor adjustment). In certain instances, S&P DJI may decide to add the spin-off security to indices using a non-zero price and applying a price adjustment to the parent.

S&P DJI may determine not to add an ineligible spin-off security to the parent's indices due to de minimis value, lack of information on value of the spin-off security, or tradability issues. Generally, if a spin-off security is anticipated to trade on an exchange, it is at least temporarily added to indices to discover value and then removed if it is determined to be ineligible for continued index inclusion. If S&P DJI is unable to determine whether the spin-off security will trade on an exchange, or is unable to obtain information to value the spin-off security, S&P DJI may choose not to recognize the event.

If there is a gap between the ex-date and distribution date (or payable date), or if the spin-off security does not trade regular way on the ex-date, the spin-off security is kept in all indices in which the parent is a constituent until the spin-off security begins trading regular way. An indicative or estimated price may be used for the spin-off entity in place of a zero price until the spin-off security begins trading to represent the value of the spin-off received. The indicative or estimated price for the spin-off security is usually calculated using the difference between the parent's close price the night before the ex-date and the opening price of the parent on the ex-date. Any difference in calculation due to subsequent corporate actions on the parent or spin-off security will be communicated to clients through the usual channels. If the spin-off entity does not trade for 20 consecutive trading days after the ex-date and there is no guidance issued for when trading may begin, S&P DJI may decide to remove the spin-off security at a zero price with advance notice given to clients.

Index composition changes involving the parent or spin-off company, including attribute changes, such as a change in its Global Industry Classification Standard (GICS®) classification, are implemented after the spin-off entity has traded regular way for at least one day.

1. **Spin-off Security is a New Entity.** The spin-off security will be added to all parent indices on the ex-date.
2. **Spin-off Security is an Existing Publicly Traded Entity (In Specie Distribution).** S&P DJI will add the in specie distribution to all indices in which the parent is a constituent on the ex-date at a zero price and will mimic the price of the existing publicly traded entity on the close of the ex-date. The distribution will be represented by a temporary non-tradeable placeholder constituent created by S&P DJI to hold the place (weight) of the assets distributed, but not yet received by index clients. A placeholder may be used by S&P DJI to enhance an index client's ability to replicate an index. The placeholder will be added to indices in which the parent is a constituent using the parent's IWF and using shares equal to the distribution ratio times the parent's total shares outstanding. The placeholder will be priced to match the price of the existing publicly traded security. The placeholder will generally remain in indices until the distribution date. The existing publicly traded security will be added and/or upweighted to reflect the distribution on the same date that the placeholder is removed from indices, if applicable. In certain instances, S&P DJI may decide to apply a price adjustment to the parent and not add a placeholder.
3. **South Korea.** In South Korea holding companies often have a reverse split accompany a spin-off of its operating entity. As a general index implementation policy for spin-offs accompanied by reverse splits in South Korea, a spin-off is effective on the day the spun-off company starts to trade. The valuation of the spun-off company is calculated as the market capitalization of the parent company before the spin-off event multiplied by the spin-off ratio.
4. **India.** Indian spin-offs often list several weeks, and in some cases months, after the ex-date. In such cases, S&P DJI will apply an indicative or estimated price for the spin-off entity based on the difference between the parent's closing price the night before the ex-date and the opening price of the parent on the ex-date until the spin-off security lists and begins trading. If the spin-off entity does not trade for 20 consecutive trading days after listing, S&P DJI may decide to remove the spin-off security at a zero price.

Treatment of Spin-Offs in Certain Non-Market Capitalization Indices

For most non-market capitalization weighted indices, both the parent and spin-off company generally remain in the index until the next index rebalancing. The spin-off company is added to the index at a zero price at the close of the day before the ex-date. No price adjustment is applied to the parent and there is no divisor change. All indices undergo a full review with the next rebalancing.

However, if

- (i) the next index rebalancing is more than three months away, and
- (ii) either the parent company or the spin-off company is clearly not eligible for the particular index

then, the spin-off company is reviewed on a case-by-case basis and the appropriate treatment will be announced to clients in advance. In such cases, and when achievable, clients are provided with one to five business days advance notice to drop either the parent or child company (as applicable in the situation) in a market situation where regular-way trading is available for both the parent and child.

- If a decision is made to keep the spun-off company and drop the parent, because of a determination that the spun-off company is within the objective of the index while the parent no longer meets such requirements, the weight of the parent stock is (1) distributed proportionately across the rest of the index for a non-market capitalization weighted index or (2) the spun-off stock inherits the weight of the parent in a non-market capitalization equal weighted index.
- Alternately, if a decision is made to drop the spun-off company and keep the parent, because it has been determined that the parent company is within the objective of the index while the spun-off does not meet such requirements, the weight of the spun-off company is added back to the parent stock's weight in a non-market capitalization equal weighted index.

Non-market capitalization weighted indices based on another fixed count index whose adds and drops follow the parent index exactly (for example, the S&P 500 Equal Weighted Index) will continue to follow the add/drop policy of the parent as outlined in the following section.

Non-Market Capitalization Weighted Indices Based on a Fixed Count Parent Index. The spun-off company is added to the index at a zero price at the market close of the day before the ex-date with no divisor adjustment. If the spun-off company is replacing a dropped company in the parent index, on the effective date of the deletion, first the weight of the spun-off company is redistributed to the parent company, and then the weight of the deleted company is redistributed to the spun-off company. If the spun-off company is replacing the parent company, the weight of the parent is redistributed to the spun-off company on the effective date of the deletion. If the spun-off company will be dropped from the parent index, the weight of the spun-off company is redistributed back to the parent company.

Refer to the respective individual index methodology documents for more information on the specific treatment for a particular index.

Return Calculation for a Spun-off Stock on the Close of the Ex-Date. Where a stock is included at a zero price and then trades, its return on the day is mathematically infinite. S&P DJI adjusts the % returns field in the constituent (.SDC) files to make it zero for the day. Similarly, since the closing price of the parent is not being adjusted downward as of the next day's market open to account for the spin-off, the return on the parent for that day could be understated. S&P DJI calculates the return on the parent stock on that day by dividing the sum of the total closing index market cap of the parent stock and the spin-off stock(s) by the closing index market cap of the parent stock on the day prior to spin-off. Using this method to calculate the return of the parent stock yields a return on the combined position of the parent and spin-off stock, and, since the return on the spin-off stock is treated as zero for the day, ensures that the single stock returns presented can be aggregated into the total index return.

Rights Offerings (or "Rights Issues")

A rights issue is an event in which existing shareholders are given the right to buy a specified number of additional shares from a company, at a specified price ('rights' or 'subscription' price), within a specified time ('subscription period'). Only rights available to all shareholders are recognized.

For all markets (Developed, Emerging, and Frontier), irrespective of whether the rights are renounceable and/or fully underwritten, S&P DJI implements the following treatment:

- Price adjustments are applied at the opening of the rights ex-date as per the calculations shown below.
- Share changes are also applied at the full rights ratio at the opening of the rights ex-date.
- If the rights are undersubscribed or oversubscribed, the corresponding share adjustments are made at the next quarterly share rebalancing.
- If the new shares are not entitled to a future dividend, which has been announced and where the amount is known, the price adjustment calculation will reflect the dividend (the dividend amount will be added to the subscription price). This applies to both ordinary and special dividends.

Please see the example calculations below.

S&P DJI's Calculation of Rights Offerings

Step 1: In/Out-of-the-Money Determination:

If the subscription price < the stock closing price on the day before the ex-date, then the rights offering is in-the-money.

If the subscription price ≥ the stock closing price on the day before the ex-date, then the rights offering is out-of-the-money.

Note: In several cases with rights offerings, the new shares are not entitled to a future dividend. If a future dividend is announced by the day before the ex-date of the rights, the dividend amount has been confirmed and S&P DJI is certain that the newly created shares as a result of the rights offering are not entitled to the dividend, the following rule is used to determine whether a rights offering is or is not in-the-money:

If the subscription price + dividend < the stock closing price on the day before the ex-date, then the rights offering is in-the-money.

If the subscription price + dividend $\geq$ the stock closing price on the day before the ex-date, then the rights offering is out-of-the-money.

Step 2: Application of Price & Share Adjustment on the Ex-Date for in-the-money Rights Offerings:

S&P DJI's practice is to only recognize rights that are in-the-money. The assumption is that main clients are long-only indexers and, as rational investors, they will exercise any rights that are in-the-money to mimic the index and keep tracking error minimized. Indexers will not exercise issues that are out-of-the-money, as they are trading at a premium to the current market price.

For rights offering in-the-money, the share adjustment is made irrespective of whether it is greater or less than 5% (since it is a corporate action driven event). The price adjustment is always applied on the ex-date using the following calculation:

Price adjustment calculation:

Value of the Rights = {Market Value of the Stock – (Subscription Price + Dividend¹)} / (Number of Rights required to purchase 1 share + 1)

Price Adjustment Factor = (Market Value of the Stock - Value of the Rights) / Market Value of the Stock

Adjusted Price or Theoretical Ex-Rights Price (TERP) = Market Value of the Stock * Price Adjustment Factor = Market Value of the Stock – Value of the Rights

Note > that the Market Value of the Stock is the previous day's closing price (previous day to the rights ex-date). This is also referred to as Cum Rights Price in some markets.

Examples:

Example 1: SP AUSNET (SPN.AX). For SPN.AX's (May 2009) rights offer, the full AU\$ 0.05927 distribution (AU\$0.04603 cash dividend + AU\$ 0.01324 capital return) was used in the TERP calculation of SPN.AX. This amount was added to the SPN.AX rights subscription price of AU\$ 0.78. The cash dividend and capital return on the dividend ex-distribution date was not diluted.

Example 2: A 7:5 rights offering (i.e., the right to buy seven new shares for every five shares owned) at a subscription price GBP 1.50 and the market value of the stock on previous day's close is GBP 3.34; no future dividend has been announced.

$$\text{Value of Rights} = \{3.34 - (1.5 + 0)\} / \{(5/7) + 1\} = \text{GBP } 1.07333333$$

$$\text{Price Adjustment Factor} = (3.34 - 1.07333) / 3.34 = 0.67864271$$

$$\text{Adjusted Price or TERP} = 3.34 * 0.67864271 = \text{GBP } 2.26666667$$

¹ If there is no upcoming dividend or newly added shares are entitled to a future dividend, the "Dividend" amount in the formula is zero. If the new shares are not entitled to the dividend, the dividend amount is added to the subscription price. This applies to regular and special dividends.

OR

$$\text{Adjusted Price or TERP} = 3.34 - 1.07333333 = \text{GBP } 2.26666667$$

Example 3: A 7:5 rights offering at a subscription price of GBP 1.50 and the market value of the stock on previous day's close is GBP 3.34; a future dividend for the amount GBP 0.50 is declared, but the new shares are not entitled to this dividend.

$$\text{Value of Rights} = \{3.34 - (1.5 + 0.5)\} / \{(5/7) + 1\} = \text{GBP } 0.78166667$$

$$\text{Price Adjustment Factor} = (3.34 - 0.78166667) / 3.34 = 0.76596806$$

$$\text{Adjusted Price or TERP} = 3.34 * 0.76596806 = \text{GBP } 2.5583333$$

OR

$$\text{Adjusted Price or TERP} = 3.34 - 0.78166667 = \text{GBP } 2.5583333$$

If the rights offering is out-of-the-money, then no action is undertaken to match the corporate action for index purposes, as a rational investor would not subscribe to the rights issue. This is valid even if the issue is underwritten or guaranteed rights offering. Any subsequent shares issued are made at the quarterly rebalancing.

Non-Market Capitalization Weighted Indices

When a stock in an equal weighted non-market capitalization weighted index has a rights or open offering, there are no market cap changes between the close and adjusted close files (i.e., the weight of the company stays the same, per the index methodology). The AWF will be adjusted to offset any potential market cap changes, bringing the security back to its weight before the rights offering. Certain Strategy indices also follow the non-market capitalization weighted methodology. For such indices, in the event of a rights offering, the treatment is exactly the same as the one for equal weighted non-market capitalization weighted indices. The price adjustment is accompanied by an index share change so that the company's weight remains the same as its weight before the rights offering. No divisor adjustment is made.

Refer to the respective individual index methodology for more information on the specific treatment for a particular index.

Warrants, Options, Partly Paid Shares, Convertible Bonds, Contingent Value Rights, and Other Ineligible Securities & Share Types

Securities such as warrants, options, partly paid shares, convertible bonds, or contingent value rights are ineligible for equity indices. In certain instances, if a derivative security is anticipated to trade on a local exchange, it may, temporarily, be added to indices to discover value and then later removed. S&P DJI may choose to implement a price adjustment to the parent on the ex-date if all the information to calculate the price adjustment for the derivative security is available. If S&P DJI is unable to determine whether a derivative security will trade on a local exchange or is unable to obtain information to value an ineligible security, S&P DJI may choose not to recognize the event. Any share increase associated with the derivative security, where applicable, is implemented when the information is available, following a review by S&P DJI.

If S&P DJI decides to temporarily add the ineligible security to indices and the ineligible security does not trade for 20 consecutive trading days after the ex-date, S&P DJI may decide to remove the security at a zero price with advance notice given to clients.

In instances where the terms specify that the type of shares or financial instruments being offered are of a different nature than the current shares outstanding for a particular company's stock, a price adjustment

may be implemented on the rights ex-date with a share increase at a later time, in line with the treatment detailed above. Clients will be notified of such treatment in advance.

Exceptions:

Subscription Price is unknown until after the Ex-Date. In certain markets, the subscription price is not known on the ex-date and is sometimes provided well after the ex-date. In Singapore, in some instances, a subscription price range is provided instead of a fixed subscription price, and there is no definite subscription price at the market close of the day before the rights ex-date. Similar cases have come up in Chile and other emerging markets. In the U.S., there have been instances where the subscription price and ratio were not known until the ex-date had passed. In all such cases, these are treated as a book build/placement issue and a share change is applied to the full extent of the rights ratio at the opening of the first business day following the expiration date. The share change is applied only if the rights are in the money when the terms are disclosed. No price adjustment is made.

Other. In instances where high profile banks or companies are involved, or the Government is underwriting shares, S&P DJI reserves the right to alter the general treatment with sufficient notice to clients.

Accelerated Rights Offering: Accelerated Rights may come in two parts “institutional” (accelerated) and “retail” (traditional). For all purposes, the index is adjusted on the ex-date at the full rights ratio. If the stock is suspended during the accelerated stage of the offer, the ex-date is taken as the date that trading resumes. If there is an over allocation in the index, a share adjustment is made to bring shares back into line at the next quarterly share rebalancing. Current treatment is as follows:

- **Known Price:** If the subscription price is known in advance, price and shares are adjusted on the ex-date.
- **Unknown Price:** If the price is determined in a bookbuild or some other facility and released after the ex-date, this is treated as a placement (secondary offering). Shares increase at the full ratio, with one to five business days’ notice, with no price adjustment.

UK Open Offers. Open Offers are a type of UK equity placing where existing shareholders are offered the opportunity to buy shares at a discounted rate to the market price. These rights are non-renounceable. Open offers are often accompanied by an equity placing available to all investors at the same discounted price preferentially available to existing shareholders. Both events are normally announced on the ex-date of the open offer.

S&P DJI recognizes that there is no additional value to being a shareholder prior to the offer, as there is equal value available to other market participants.

The treatment of UK Open Offers is to not apply a price adjustment for such transactions. The share change is considered a non-mandatory event and is applied after the end of the subscription period where the event meets the requirements for accelerated implementation. Share changes that do not meet the criteria for accelerated implementation are implemented at the quarterly rebalancing.

For more information, please refer to the Non-Mandatory Share & Investable Weight Factor (IWF) Updates section.

Non-Mandatory Share and IWF Updates

Certain mandatory actions, such as M&A driven share/IWF changes, stock splits, and mandatory distributions, are not subject to a minimum threshold for implementation. Material share/IWF changes resulting from certain non-mandatory corporate actions follow the accelerated implementation rule defined below with sufficient advance notification. Non-material share/IWF changes are implemented quarterly. The accelerated implementation rule is intended to reduce turnover intra-quarter while also enhancing opportunities for index trackers to take advantage of non-mandatory material liquidity events. In certain instances, local market practices may relax these rules, so please refer to the respective individual index methodology for any deviations from this policy.

Material Share/IWF Changes - Accelerated Implementation Rule

1. **Public offerings.** Public offerings of new company-issued shares and/or existing shares offered by selling shareholders, including block sales and spot secondaries, will be eligible for accelerated implementation treatment if the size of the event meets the materiality threshold criteria:
 - a. At least US \$150 million², and
 - b. At least 5%³ of the pre-event total shares.

In addition to the materiality threshold, public offerings must satisfy the following conditions⁴:

- Be underwritten.
- Have a publicly available prospectus, offering document, or prospectus summary filed with the relevant authorities.
- Have a publicly available confirmation from an official source that the offering has been completed.

Public offerings that include both new company shares and existing shares sold by shareholders are implemented if either offering, or the combined size of both offerings, represents at least 5% of the total shares and is valued at US \$150 million. Any concurrent share repurchases by the affected company is included in the implementation.

2. **Dutch Auctions, Self-tender offer buybacks, and Split-off exchange offers.** These non-mandatory corporate action types will be eligible for accelerated implementation treatment regardless of size once the final results are publicly announced and verified by S&P DJI.

For companies with multiple share class lines, the criteria specified above applies to each individual multiple share class line rather than total company shares.

Accelerated implementation for events less than US \$1 billion includes an adjustment to the company's IWF only to the extent that such an IWF change helps the new float share total mimic the shares available

² Calculated using the offering (subscription) price per share and the number of shares offered (excluding any overallotment). When the offering price is announced in a non-US currency, it is converted into USD using the WMR 4PM spot rate on the day prior to the pricing date. If the offering price, total shares offered, and total offering value cannot reasonably be determined to meet the minimum threshold criteria based on the public information available, S&P DJI may decide not to use accelerated implementation treatment, or may wait until more information becomes available before determining if accelerated implementation treatment will be used.

³ Measured as the pre-event total share outstanding for that share class.

⁴ Market specific differences outside the U.S. may affect implementation if any of the conditions don't apply.

in the offering. To minimize unnecessary turnover, these IWF changes do not need to meet any minimum threshold requirement for implementation. Any IWF change resulting in an IWF of 0.96 or greater is rounded up to 1.00 at the subsequent annual IWF review.

For accelerated implementation of at least US \$1 billion⁵, S&P DJI applies the share change, and any resulting IWF change, using the latest share and ownership information publicly available upon confirmation of the event, even if the offering size is below the 5% threshold. This exception ensures that very large events are recognized in a timely manner using the latest available information. Any IWF change resulting in an IWF of 0.96 or greater is rounded up to 1.00.

Market Specific Accelerated Implementation Rules

U.S. and Canada. Non-fully paid or non-fully settled offerings, such as subscription receipts in Canada and forward sales agreements in the U.S., are ineligible for accelerated implementation. Share updates resulting from completion of subscription receipts terms, or the settlement of forward sale agreements, are updated at a future quarterly rebalancing.

India. Non-mandatory events that otherwise qualify for accelerated implementation are not implemented until the updated shareholder information is available, due to the tendency for such events to be made known to strategic holders ahead of time.

Announcement Policy

For accelerated implementation, S&P DJI provides at least two (2) business days' notice for all non-U.S. listed stocks, U.S. listed Depositary Receipts (DRs), and interlisted stocks⁶, and one (1) business days' notice for all non-DR U.S. listed stocks.

For non-DR U.S. listed stocks, to provide additional notification, S&P DJI announces accelerated implementation events with a size of at least US\$ 1 billion intraday, once S&P DJI confirms the event details.

Non-Material Share/IWF Changes – Quarterly Implementation

All non-mandatory events not covered or implemented via the accelerated implementation rule (including but not limited to certain private placements, acquisition of private companies, and conversion of non-index share lines) are reviewed quarterly, effective after the close of the third Friday of the third month in each calendar quarter and as per below.

Share Updates. At each quarterly review, shares outstanding are updated to the latest available information as of the rebalancing reference date.

For more information, please refer to 'Rebalancing Guidelines – Share/IWF Reference Date & Freeze Period'.

IWF Updates. At the quarterly review, IWF changes are only made if there is a share change of at least 5% of total current shares outstanding and if the adjusted IWF absolute change is at least 5, with IWF adjustments limited to the extent necessary to help reflect the corresponding share change.

For quarterly share change events, unless there is explicit information stating that the new shares are not available to the market, shares are generally considered to be available to all investors and reflected in

⁵ Calculated using the offering (subscription) price per share and the number of shares offered (excluding any overallotment). When the offering price is announced in a non-US currency, it will be converted into USD using the WMR 4PM spot rate on the day prior to the pricing date. If the offering price, total shares offered, and total offering value cannot reasonably be determined to meet the minimum threshold criteria based on the public information available, S&P DJI may decide not to use accelerated implementation treatment, or may wait until more information becomes available before determining if accelerated implementation treatment will be used.

⁶ Includes interlisted stocks where the designated listing trades on a non-U.S. exchange. For interlisted stocks where the designated listing trades on a U.S. exchange, S&P DJI provides one business days' notice.

the IWF. Events such as conversion of derivative securities, acquisitions of private companies, or acquisitions of non-index companies that do not trade on a major exchange are generally implemented as described above.

In certain markets such as India and Thailand, foreign ownership limit adjustments that result in IWF changes are implemented with the quarterly rebalancing even if there is no change in shares outstanding.

Other than the situations described above, please note that IWF changes are only made at the annual IWF review.

For more information on IWF updates, please refer to S&P Dow Jones Indices' Float Adjustment Methodology.

Note: For indices using equal weighted, price weighted, or non-market capitalization weighted corporate action treatments, shares and/or IWF updates are only effective for the underlying shares or IWF. The stocks' Additional Weight Factor (AWF) is generally modified to counteract the underlying shares/IWF change, so that index shares remain unchanged until the index is fully updated at the next scheduled rebalancing.

Please refer to the respective individual index methodologies to confirm if an index follows this rule.

Rebalancing Guidelines – Share/IWF Reference Date & Freeze Period

A reference date, after the market close five weeks prior to the third Friday in March, June, September, and December, is the cutoff for publicly available information used for quarterly shares outstanding and IWF changes. All shares outstanding and ownership information contained in public filings and/or official sources dated on or before the reference date are included in that quarter's update. In addition, there is a freeze period on a quarterly basis for any changes that result from the accelerated implementation rules. The freeze period begins after the market close on the Tuesday prior to the second Friday of each rebalancing month (i.e., March, June, September, and December) and ends after the market close on the third Friday of the rebalancing month.

Pro-forma files for float-adjusted market capitalization indices are generally released after the market close on the first Friday, two weeks prior to the rebalancing effective date. Pro-forma files for capped and alternatively weighted indices are generally released after the market close on the second Friday, one week prior to the rebalancing effective date. For illustration purposes, if rebalancing pro-forma files are scheduled to be released on Friday, March 5, the share/IWF freeze period will begin after the close of trading on Tuesday, March 9, and will end after the close of trading the following Friday, March 19 (i.e., the third Friday of the rebalancing month).

During the share/IWF freeze period shares and IWFs are not changed, and the accelerated implementation rule is suspended, except for mandatory corporate action events (such as merger activity, stock splits, and rights offerings). The suspension includes all changes that qualify for accelerated implementation and would typically be announced or effective during the share/IWF freeze period. At the end of the freeze period all suspended changes will be announced on the third Friday of the rebalancing month and implemented five business days after the quarterly rebalancing effective date. For these non-mandatory events, S&P DJI uses shares and IWF data as of the upcoming rebalancing effective date to calculate the size of the event and in turn assess if the event qualifies the Accelerated Implementation rule.

Companies that are the target of cash M&A events, and publicly available guidance indicates the event is expected to close by quarter end, may have their share count frozen at their current level for rebalancing purposes.

Certain Share Types and Designations

Multiple Share Classes

Companies issue multiple share classes in some instances. The treatment of multiple share classes of stock varies across S&P DJI's indices depending on local market custom and conditions. S&P DJI includes all publicly listed multiple share class lines separately in its float-adjusted market capitalization (FMC) weighted indices, subject to liquidity and float criteria currently in place for each index. Index membership eligibility for a company with multiple share class lines is based on the total market capitalization of the company. The decision to include each publicly listed line is evaluated line by line; the weight of each line will only reflect its own float, not the combined float of all company lines. It is possible that one listed share class line may be included in an index while a second listed share class line of the same company is excluded. Unlisted share class lines are not combined with any other listed share class lines, but these unlisted share class lines are included in the calculation of the company's total market capitalization. A company's total market capitalization is used to determine its assignment to either large-cap, mid-cap, or small-cap indices.

Once a listed share class line is added to an index, it may be retained in the index even though it may appear to violate certain addition criteria. Listed share class line deletions are at the discretion of the governing Index Committee.

For companies that issue a second publicly traded share class to index share class holders, the newly issued share class line will be considered for inclusion if the event is mandatory, and the market capitalization of the distributed class is not considered to be de minimis.

Exception:

Berkshire Hathaway Inc. Due to turnover and liquidity concerns, Berkshire Hathaway Inc. (NYSE:BRK.B) is an exception to the Multiple Share Classes rule. S&P DJI will continue to consolidate the share count for this company under the B share class line.

Designated Listings

For companies with multiple share classes of common stock, S&P DJI determines the share class with both the highest one-year trading liquidity (as defined by Median Daily Value Traded) and largest float-adjusted market capitalization as the Designated Listing. All other share classes are referred to as Secondary Listings. When the liquidity and market capitalization indicators are in conflict, S&P DJI analyzes the relative differences between the two values placing a greater importance on liquidity.

Once established, the Designated Listing is only changed if both the liquidity and market capitalization of a Secondary Listing exceed the liquidity and market capitalization of the Designated Listing by more than 20 percent. If only one measure exceeds 20 percent, S&P DJI analyzes the data as described above to determine if the Designated Listing should be changed. Otherwise, the Designated Listing remains unchanged.

For those companies having depository receipts or shares listed on an exchange outside of the country of domicile (including inter-listed stocks), the Designated Listing is generally the one listed on the exchange in the country of domicile. Non-voting depository receipts (NVDR) are generally designated as Secondary Listings.

S&P DJI reviews Designated Listings on an annual basis and any changes are implemented after the close of the third Friday of September. The last trading day in July is used as the reference date for the

liquidity and market capitalization data. If less than one year of trading data is available as of the reference date, then all available data is used. S&P DJI reserves the right to review and update the Designated Listing more frequently based on market conditions.

For purposes of index selection, S&P DJI utilizes one of the following approaches when more than one listing of equity stock outstanding is available. Changes to a Designated Listing within a given index are only made at a regularly scheduled rebalancing as defined in the applicable Index Methodology. Any deviations from the rules below are described in individual Index Methodology documents.

- A. All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria detailed in the respective Index Methodology.
- B. Each company is represented once by the Designated Listing.
- C. Each company is represented once by the listing with the highest dividend yield, subject to meeting the eligibility criteria detailed in the respective index methodology. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated Listing is selected.

Exception:

The class A shares of Chinese companies as well as the class A shares of Filipino companies will not be selected as the Designated Listing due to foreign ownership restrictions. In these cases, an alternative listing will be considered the Designated Listing.

Note: Non-market capitalization indices that follow the composition of an S&P Dow Jones FMC index utilize the same composition as the parent index.

For information on the treatment of multiple share classes for non-market capitalization weighted indices, please refer to the respective index's methodology document available at www.spglobal.com/spdji/.

Depositary Receipt Shares

Depositary Receipt (DR) shares outstanding, including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), are derived by multiplying the DR ratio by the underlying shares represented by the DR.

Brazil Units

Brazil units are securities issued and traded on the São Paulo Stock Exchange representing a combination of Ordinary and Preferred shares issued by companies in Brazil. For index purposes, shares outstanding for Units are derived by dividing the total number of outstanding ordinary and preferred shares by the Units ratio, which is the total number of securities that the Unit contains. The IWF for Units is calculated using float figures at the company level, based on the total holdings of ordinary and preferred shares per shareholder. For companies in Brazil that have listed Units, the Units are normally used for index inclusion rather than its Ordinary or Preferred listed stocks.

Dividends, Stock Splits, and Consolidations

Dividends

Ordinary Dividend. An ordinary dividend is a distribution of a portion of a company's earnings to its shareholders. Ordinary dividends typically follow a quarterly, semi-annual, or annual cycle and are most often quoted in terms of the payment amount each share receives (dividends per share). For index calculation purposes, an ordinary dividend will only have an effect on the Total Return (TR) and Net Total Return (NTR) indices and not on Price Return indices.

Variable Dividends. To be considered a variable dividend, a company must pay a base dividend and pay an additional variable dividend amount that fluctuates based on company earnings or another metric explicitly stated in the dividend policy. Variable dividends differ from special dividends in that variable dividends are part of the normal dividend policy of the company. For index purposes, variable dividends are treated as ordinary dividends for companies with a variable dividend policy and only effect the Total Return (TR) and Net Total Return (NTR) indices, excluding Price Return indices.

Special Dividends. Special dividends are defined as those dividends that are outside of the normal payment pattern established historically by the corporation. Whether a dividend is funded from operating earnings or from other sources of cash does not affect the determination of whether it is a special dividend. Special dividends are typically larger than ordinary dividends and are quoted in terms of the payment amount each share receives (dividends per share). Generally, there are no patterns for these events, and they may be one-time payments. Special dividends are treated as corporate actions with price and divisor adjustments. For index calculation purposes, a special dividend results in a stock's price being adjusted (reduced) by the payment amount at the opening of the effective date.

S&P DJI generally considers the third consecutive instance of a non-ordinary dividend (in terms of timing [i.e., ex-date], not amount) to be ordinary for index purposes as the third consecutive payment is generally be considered to be part of the normal payment pattern established by the company.

Special dividends usually have the following characteristics: The company describes it as a "special," "extra," "irregular," "return of capital" "distribution from reserves", or some other similar term in the dividend announcement. Dividend payments not subject to a withholding tax are usually an indication that the dividend should be treated as special; however, large and out-of- pattern payments are still considered as "special" even if they are subject to a withholding tax.

When an ordinary dividend is increased or decreased, it is still ordinary, not special.

When a return of capital is declared in lieu of an ordinary cash dividend and fits the historical pattern of an ordinary dividend in amount and frequency, it is treated as an ordinary cash dividend. For example, many Swiss companies distribute a return of capital in lieu of ordinary dividends.

When a dividend is paid the first time, it is ordinary unless the company's release specifically states otherwise.

Return of Capital. A return of capital is a cash distribution of a portion of a company's share capital or capital surplus. As it is not paid out of net income or retained earnings, it is generally not subject to withholding tax. For index calculation purposes, a return of capital is considered a special dividend. However, when a return of capital is declared in lieu of an ordinary cash dividend and fits the historical pattern of an ordinary dividend in amount and frequency, it is treated as an ordinary cash dividend.

Hybrid Dividends. Hybrid dividends, payable in cash & stock, can be considered as regular or special dividends by S&P DJI. Treatment is as follows:

- **Hybrid Dividends Considered Ordinary Dividends.** S&P DJI applies the full amount of the dividend on the ex-date (using the cash equivalent amount), and then increases the shares either on the payable date (if the final distribution ratio is announced by the company at least one business day prior to the payable date) or at the next quarterly share rebalancing, regardless of whether the share increase is at least 5%.
- **Hybrid Dividends Considered Special Dividends.** A price adjustment is applied for the full amount of the dividend after the close of trading on the day before the ex-date, and a share increase is made either on the payable date (if the final distribution ratio is announced by the company at least one business day prior to the payable date) or at the next quarterly share rebalancing, regardless of whether the share increase is at least 5%.

In certain instances, S&P DJI may decide to add a temporary placeholder security to represent the stock portion of the hybrid dividend when deemed necessary to enhance the replicability of the index and to reduce unnecessary turnover. In such cases, S&P DJI will announce the treatment details with one to five business days' notice.

Scrip Dividend. A scrip dividend is a dividend paid by the issue of new shares in lieu of cash. A company may offer its shareholders the choice of receiving a dividend in shares (scrip dividend) rather than cash. The share option is typically listed as the default option for the shareholders who do not make an election. Only the distribution received under the cash option is subject to dividend withholding tax.

S&P DJI treats scrip dividends as cash dividends on the ex-date. Any share changes made due to a shareholder's election to receive shares are accumulated for quarterly implementation.

Dividend Treatments for ADRs and GDRs. For most American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), cash dividends are declared in the local currency. While the dividend ex-date for an ADR/GDR is known ahead of time, the depository bank usually provides only an estimated dividend amount in the trading currency of the ADR/GDR based on the foreign exchange rates at that time. The final dividend amount calculated using the latest forex rates is not available until closer to the payable date. S&P DJI's branded indices use the dividend treatment outlined below:

- (i) If the dividend is quoted ex by the exchange, this amount is used on the dividend ex-date.
- (ii) If the dividend is not quoted ex by the exchange, the dividend is not generally recognized for index purposes. An exception is Japanese and Korean ADR dividends which are generally not quoted ex by the exchange but are recognized on a future date if the depository bank issues a final dividend notice.

For more information, please refer to the Post Ex-date Dividend Adjustment section.

- (iii) For certain Russian GDRs, the information regarding the dividend amount and ex-date is available only after the ex-date has passed. In these instances, S&P DJI may choose to recognize the dividend on the date S&P DJI becomes aware of the amount. S&P DJI does not wait for the payable date, which could be months away in some instances.

Regional Variations in the Treatment of Cash Dividends

UK. Cash dividends reported in the UK are net dividends, which is the amount used for index calculation purposes. UK dividends are taxed at the source – from company profits after corporation tax has already been paid.

Property Income Distributions (PIDs): PIDs are a special kind of dividend related to Real Estate Investment Trusts (REITs) and are taxed at a rate of 20%. REITs might declare dividends that are solely PIDs, solely ordinary dividends or a combination of the two.

Example:

Company A declares a dividend consisting of two components: an ordinary dividend of GBP 0.031 and a PID component of GBP 0.015 taxed at a rate of 20%. So, for index calculation purposes, the dividend amount for Company A is GBP 0.043.

$$\text{Dividend} = \text{GBP } 0.031 + \text{GBP } \{0.015 * (1-0.2)\} = \text{GBP } 0.043$$

Taiwan. When there is a suspension in trading that S&P DJI is aware of, the event is recognized on the date trading resumes.

Examples:

- (1) The reverse split for 2887.TW was recognized on February 3, 2010, the pay date after the stock came out of its trading suspension instead of January 19, 2010, which was the ex-date.
- (2) The return of capital with the reverse split for 2412.TW was recognized on February 8, 2010, the pay date, after the stock resumed trading instead of its ex-date January 21, 2010.

Japan. The majority of dividends in Japan are provided in estimated amounts on their ex-date. 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 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 (see below).

Irregular distributions declared by Japanese companies, including memorial dividends, returns of capital and special dividends are generally treated as ordinary dividends.

Korea. The majority of dividends in Korea are not announced prior to their ex-date. 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 interim dividends or dividends with a record date at fiscal year-end, the estimate is calculated as the previous year's dividend amount in the same period 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 and pays 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 (see below). A negative dividend adjustment will be applied if the estimated dividend has not been confirmed by the company six months after the ex-date.

Brazil. Interest on Capital is generally recognized as an ordinary dividend subject to a different withholding tax rate.

Turkey. Distributions from REIT companies are treated as ordinary dividends but are not subject to withholding tax.

Australia.

- **Franking.** Australia has a tax structure where profits are only taxed once at either the company level or shareholder level (i.e., Australian companies pay out profits as dividends either before or after tax). The "franking rate" is what tracks whether or not the tax was already paid on the cash dividend. If the tax was already paid at the company level, then the dividend amount is fully franked (100% franked). If taxes were not paid on the cash distribution, then the dividend is 0% franked. Note that the franking rate can also be in between 0% and 100%.

Note S&P DJI does not backfill franking rates announced after a dividend ex date.

- **Conduit Foreign Income (CFI).** CFI is foreign income received by a foreign resident via an Australian corporate tax entity. The tax relief for CFI ensures that those amounts are not taxed in Australia when distributed by the Australian corporate tax entity to its foreign owners. The Conduit Foreign Income removes any withholding tax liability for non-resident shareholders in relation to the CFI component of dividends received.

China.

- **Offshore A-Shares.** These are shares issued by companies in mainland China and are listed on the Shanghai - Hong Kong Stock Connect or Shenzhen - Hong Kong Stock Connect exchanges, and available to foreign investors. S&P DJI uses the offshore CNH exchange rate for the calculation and maintenance of China A-Shares using the Stock Connect listings.

Franking Credit Adjusted Total Return Indices. Additional total return indices are available for a number of S&P/ASX Indices that adjust for the tax effect of franking credits attached to cash dividends. The indices utilize tax rates relevant to two segments of investors: one version incorporates a 0% tax rate relevant for tax-exempt investors and a second version uses a 15% tax rate relevant for superannuation funds. The franking credits attached to both regular and special cash dividends are included in the respective calculations.

Post Ex-date Dividend Adjustment

S&P DJI may apply an adjustment to a dividend post ex-date due to a revision of the original amount or due to certain market conventions.

Companies in Japan and South Korea do not typically confirm cash dividend amounts prior to the ex-dates. Estimated dividends are usually available for Japanese companies ahead of the dividend ex-date, and it is generally accepted to recognize the estimated amount on the ex-date. Korean companies do not usually provide an estimate for dividends. For both countries, actual dividend amounts are confirmed by the companies several weeks after the ex-date.

For South Korea, S&P DJI applies the adjustment after the pay date. This dividend adjustment is applicable to Japanese and South Korean companies listed in their home markets and overseas as depositary receipts (ADR/GDR). For Japanese and Korean depositary receipts (ADR/GDR), S&P DJI uses the final confirmed dividend amount announced by the depositary bank.

S&P DJI determines the difference between the dividend amount recognized on the original ex-date and the confirmed dividend amount announced by the company. An adjustment in terms of dividend points is applied to the affected indices weekly at the close of the following Friday without restatement to past index levels. Any dividend adjustment applied on Friday is announced one day in advance. If the following Friday is not a trading day, the dividend adjustment is applied on the next trading day. The dividend point adjustment for a particular index is calculated using the following formula:

$$\text{Index Dividend Point Adjustment} = (D_{dt} * S_{at}) / \text{Divisor}_t$$

where:

D_{dt} = Difference between the original and the confirmed dividend amount; foreign exchange conversion, if applicable, is based on the exchange rate on the ex-date.

S_{at} = Index shares on the ex-date.

Divisor_t = Index divisor on the ex-date.

The gross total return (TR) and net total return (NTR) versions of the dividend point adjustment are calculated. The TR index dividend point adjustment, which may be positive or negative, is added to the price index level on Friday for the calculation of the total return index that day. Similarly, the NTR index dividend point adjustment is used for the calculation of net total return. If there are multiple dividend adjustments to implement in an index, a separate index dividend point is calculated for each dividend adjustment. The index dividend points are then aggregated for the calculation of return index levels. In the

event that a negative dividend adjustment results in an overall negative index dividend for the day, the gross and net total return series underperform the price return on the effective date that the dividend adjustment is applied.

Exception: If a stock is not part of an index on the original dividend ex-date or the dividend adjustment implementation date, there is no dividend adjustment for that stock in that index. For indices formed by attributes applied to the headline composition, if a stock has an attribute change between the original ex-date and the dividend adjustment effective date but remains in the headline index throughout the period, any dividend adjustment attributable to that stock would be applied to the headline index but not to the attribute indices.

Foreign Exchange Conversions for Dividends

When companies declare dividends in currencies other than their stock trading currency, the following rules are used for the dividend currency conversion:

- The dividend is converted using the forex rate on the ex-date for regular cash dividends. Special dividends are converted using the forex rate on the day prior to the ex-date (or two days prior for Asia Pacific). Please refer to individual index methodology documents to check which foreign exchange rates are used for index calculation purposes.
- For ADRs and GDRs, the dividend amount and currency provided by the depositary banks are generally used for index calculation.

S&P DJI reserve the right to make exceptions to this policy and apply a dividend amount in an alternative currency announced by the company.

Multiple Dividend Distributions on a Single Day

When there are multiple regular cash dividends on a single day, S&P DJI will combine them into a single amount for implementation. If the different dividends or multiple components of a single dividend are subject to different dividend withholding taxes, the standard withholding tax rate for the country will be used and the gross dividend amount may be adjusted accordingly.

Dividend Not Quoted Ex by the Exchange

At times, when companies declare a conditional dividend (contingent upon some event taking place (e.g., a merger, Board approval, etc.), S&P DJI might still decide to recognize it. In such cases, clients will be notified in advance.

Bonus Issues of Shares Not Entitled To Cash Dividend

In certain global markets there have been cases where bonus issues of shares are not entitled to a dividend effective at a later date.

Treatment is as follows:

- Apply the bonus issue on the ex-date
- Adjust the dividend effective at a later date accordingly (i.e., decrease the dividend amount in order to adjust it over the new number of shares including those resulting from the bonus issue).

Total Return and Net Return Indices

Gross and net total return indices are calculated for most S&P DJI branded indices. Cash dividends are generally applied on the ex-date of the dividend (market exceptions are noted in this document).

Net return indices reflect the return to an investor where dividends are reinvested after the deduction of a withholding tax.

Withholding Tax. This is the amount withheld by the company making a dividend payment, to be paid to the taxation authorities. In the context of S&P DJI's branded indices, this refers to the tax that non-resident institutional investors are subject to, when the country in which the company paying the dividends is domiciled is not where the shareholder resides. In most countries, domestic shareholders are not required to pay this tax. Tax treaties between countries may reduce the amount of withholding tax required. S&P DJI applies the maximum withholding tax rates, without any tax treaty reductions. Tax rate data is reviewed annually by S&P DJI. Tax rates are sourced and verified with independent data sources, including but not limited to the Worldwide Corporate Tax Guide published annually by Ernst & Young. With sufficient notice to clients, SP DJI updates WHT rates outside of the annual review when it becomes aware of a change in a rate.

S&P DJI applies withholding tax to regular cash dividends. Generally, withholding tax is not applied to special cash dividends or proceeds from M&A events.

Stock Split and Consolidation

Stock Split. A stock split is a corporate action that increases the number of a company's shares, while simultaneously reducing its per share price, such that the market capitalization of the company remains the same before and after the event.

Stock splits are quoted in terms of shares received to shares held.

The shares of a company are increased (multiplied) by the stock split adjustment factor (greater than one), while the price is decreased (divided) by this same factor.

In a 5-for-1 stock split the adjustment factor is 5, so the shares outstanding is multiplied by 5 while the price is divided by 5.

Stock Dividend. Stock dividends work exactly like stock splits, except these are quoted in terms of the percentage of shares received to those held.

A 5% stock dividend is the same as a 1.05-for-1 stock split with an adjustment factor of 1.05.

Bonus Issue. A bonus issue is quoted in terms of shares received to shares held, like stock splits, or quoted in percentages like stock dividends.

Stock splits, stock dividends and bonus issues are similar terms. The terms imply the same action; the only difference is in the way the terms are quoted.

For example, a 1-for-20 bonus issue is the same as a 21:20 stock split, which is the same as a 5% stock dividend.

Consolidation. A consolidation is the opposite of a stock split. In a consolidation, the shares of a company are decreased while its per-share-price is increased by the adjustment factor (less than one). Also like a stock split, the overall market capitalization of the company remains unchanged by this event. Also referred to as a "Reverse Stock Split".

Reverse splits are quoted in terms of shares received to shares held.

The shares of a company are decreased (multiplied) by the adjustment factor, while the price is increased (divided) by this same amount. The adjustment factor for a reverse split is determined just like in a stock split (shares received/shares held).

Certain Eligibility Criteria for Dividend Focused Indices

Dividend Payment Types. For index eligibility, selection, and weighting purposes of some indices, S&P DJI only considers cash dividend payments declared regular by the paying company. Cash dividend

payments declared as special by the paying company, including recurring special cash dividends, are not considered. Please refer to the relevant index methodology for additional details.

Indicated Annual Dividend (IAD). Forward-looking annualized dividend per share calculated by multiplying the latest announced dividend per share by the number of annual dividend payments, with considerations for company and/or market-specific dividend payment details that may require use of historical dividend per share paid amounts.

Unique Payment Types. Dividends paid in non-traditional payment types (such as cryptocurrencies or digital securities) will generally not be recognized in S&P DJI Indices.

Monthly Review for Ongoing Eligibility in Dividend Focused Indices

S&P Dow Jones Dividend Indices' constituents are reviewed on a monthly basis for ongoing eligibility.

Unless stated otherwise in the relevant index methodology, S&P DJI will use one of the following approaches when conducting the monthly review to determine whether an index constituent will remain in a dividend index following an announcement concerning the company's dividend program.

Approach A: Generally applied to dividend-themed indices whose main objective is to measure the performance of companies that have maintained or increased dividends every year for a specified number of years.

Approach B: Generally applied to dividend-themed indices whose main objective is to measure the performance of dividend-paying companies and whose selection rules and weighting is often yield-focused.

Approach C: Generally applied to indices with multiple objectives, one of which is to measure the performance of dividend-paying companies.

At the discretion of S&P DJI, an index constituent may be removed effective prior to the open of the first business day of the following month, if:

Approach A:

- A scheduled dividend payment is omitted, or
- A company announces that it will cease paying dividends for an undetermined period, or
- A company announces a reduced dividend amount and S&P DJI determines that it will no longer qualify for the index at the subsequent reconstitution as a result.

Approach B:

- A company announces that it will cease paying dividends for an undetermined period, or
- A company announces a reduced dividend amount and S&P DJI determines that it will no longer qualify for the index at the subsequent reconstitution as a result.

Approach C:

- A scheduled dividend payment is omitted, or
- A company announces that it will cease paying dividends for an undetermined period.

The determination of ongoing eligibility and qualifying for the index at the subsequent reconstitution is at the discretion of the Index Committee.

Where a company postpones or defers a scheduled dividend payment, but does not cancel it, S&P DJI will generally take no action until the company makes a further announcement, or the index undergoes a rebalancing, whichever occurs sooner.

For Approach B, companies that omit a single scheduled dividend payment will have their revised (reduced) total annual dividend amount reviewed for continuing eligibility. In the case of companies that typically pay a single dividend annually, omission may result in a zero dividend being recorded in the reference period for the subsequent rebalancing.

The review of ongoing eligibility is conducted based on information publicly announced by the company up to and including the 21st of the month (in February, this date will be the 18th). Any index changes are effective prior to the open of the first business day of the following month and will be announced with five business days' notice.

Summary of Corporate Action Treatment by Index Weighting Type

The tables in the following pages detail the general corporate action treatment by index weighting type. For more information on the specific treatment within an index family, please refer to that index methodology. For complete details on index math calculations please refer to S&P Dow Jones Indices' Index Mathematics Methodology, available at www.spglobal.com/spdji/.

Market Capitalization Indices

- Market capitalization indices – where constituent weights are determined by float-adjusted market capitalization.
- Capped market capitalization indices – where single index constituents or defined groups of index constituents, such as sector or geographical groups, are confined to a maximum index weight. All corporate actions for capped market capitalization indices affect the index in the same manner as in market cap weighted indices.

Corporate Action	Treatment
Company Addition/Deletion	<u>Addition</u> Companies are added at the float (capped float) market capitalization weight. For capped indices, refer to the index methodology for details on the capping factor applied to intra-rebalancing additions. The net change to the index market capitalization causes a divisor adjustment. <u>Deletion</u> The weights of all stocks in the index will proportionally change. Relative weights will stay the same. The index divisor will change due to the net change in the index market capitalization.
Change in shares outstanding	Increasing (decreasing) the shares outstanding increases (decreases) the market capitalization of the index. The change to the index market capitalization causes a divisor adjustment.
Split/Reverse Split	Shares outstanding are adjusted by split ratio. Stock price is adjusted by split ratio. There is no change to the index market capitalization and no divisor adjustment.
Spin-off	The spin-off is added to the index on the ex-date at a price of zero. The spin-off index shares are based on the spin-off ratio. On the ex-date the spin-off will have the same attributes and capping adjustment factor (AWF) as its parent company, and will remain in the index for at least one trading day. As a result, there will be no change to the index divisor on the ex-date. If the spin-off is ineligible for continued inclusion, it will be removed after the ex-date. The weight of the spin-off being deleted is reinvested across all the index components proportionally such that the relative weights of all index components are unchanged. The net change in index market capitalization will cause a divisor change. <i>Refer to the individual index methodology for specific eligibility rules and treatment of spin-offs.</i>
Change in IWF	Increasing (decreasing) the IWF increases (decreases) the market capitalization of the index. A net change to the index market capitalization causes a divisor adjustment.
Ordinary dividend	When a company pays an ordinary cash dividend, also referred to as a regular cash dividend, the index does not make any adjustments to the price or shares of the stock. As a result, there are no divisor adjustments to the index. Ordinary dividends are reinvested across the index and accounted for in the Total Return index calculations. Additional details on the Total Return calculation can be found in S&P Dow Jones Indices Index Mathematics Methodology.
Special dividend	The stock price is adjusted by the amount of the dividend. The net change to the index market capitalization causes a divisor adjustment.
Rights offering	All rights offerings that are in the money on the ex-date are applied under the assumption the rights are fully subscribed. The stock price is adjusted by the value of the rights and the shares outstanding are increased by the rights ratio. The net change in market capitalization causes a divisor adjustment.

Non-Market Capitalization Indices (Excluding Price & Equal Weighted Indices)

A non-market capitalization weighted (also called a non-market cap or modified market cap) index is an index in which constituents' weights are defined by a factor other than market capitalization. Between index rebalancings, corporate actions generally have no effect on index weights. Examples include indices weighting constituents by factor score, dividend yield, inverse volatility, strategic tilt, thematic weighting, and other alternative weighting schemes.

Corporate Action	Treatment
Company Addition/Deletion	<u>Addition</u> Most non-market capitalization weighted indices do not add companies between rebalancings. Refer to the index methodology for further details on intra-rebalancing additions. <u>Deletion</u> The weights of all stocks in the index will proportionately change but relative weights will stay the same. The index divisor will change due to the net change in the index market capitalization.
Change in shares outstanding	Shares outstanding changes are offset by an adjustment factor (AWF). There is no change to the index market capitalization and no divisor adjustment.
Split/Reverse Split	Shares outstanding are adjusted by split ratio. Stock price is adjusted by split ratio. There is no change to the index market capitalization and no divisor adjustment.
Spin-off	The spin-off is added to the index on the ex-date at a price of zero. The spin-off index shares are based on the spin-off ratio. On the ex-date the spin-off will have the same attributes and capping adjustment factor (AWF) as its parent company, and will remain in the index for at least one trading day. As a result, there will be no change to the index divisor on the ex-date. If the spin-off is ineligible for continued inclusion, it will be removed after the ex-date. The weight of the spin-off being deleted is reinvested across all the index components proportionately such that the relative weights of all index components are unchanged. The net change in index market capitalization will cause a divisor change. <i>Please refer to the individual index methodology for specific eligibility rules and treatment of spin-offs.</i>
Change in IWF	IWF changes are offset by an adjustment factor (AWF). There is no change to the index market capitalization and no divisor adjustment.
Ordinary dividend	When a company pays an ordinary cash dividend, also referred to as a regular cash dividend, the index does not make any adjustments to the price or shares of the stock. As a result, there are no divisor adjustments to the index. Ordinary dividends are reinvested across the index and accounted for in the Total Return index calculations. Additional details on the Total Return calculation can be found in S&P Dow Jones Indices Index Mathematics Methodology.
Special dividend	The stock price is adjusted by the amount of the dividend. The net change to the index market capitalization causes a divisor adjustment.
Rights offering	All rights offerings that are in the money on the ex-date are applied under the assumption the rights are fully subscribed. The stock price is adjusted by the value of the rights and the shares outstanding are increased by the rights ratio. The change in price and shares is offset by an adjustment factor (AWF) to keep the index market capitalization (stock weight) unchanged. There is no change to the index market capitalization and no divisor adjustment.

Price Weighted Indices

In a price-weighted index, such as the Dow Jones Industrial Average, constituent weights are determined solely by the prices of the constituent stocks. Shares outstanding are set to a uniform number throughout the index. Indices using this methodology will adjust the index divisor for any price impacting corporate action on one of its member stocks; this includes price adjustments, special dividends, stock splits, and rights offerings. The index divisor will also adjust in the event of an addition to or deletion from the index.

Corporate Action	Treatment
Company Addition/Deletion	<u>Fixed Component Count Index Treatment (Stock Replacements)</u> A company is added to the index at a weight determined by the price of the added stock relative to all other index constituents. The net difference between the prices of the added and deleted stocks will cause a divisor adjustment. <u>Addition Only</u> A stock is added to the index at a weight determined by the price of the added stock relative to all other index constituents. The net change to the index market capitalization (sum of the index constituent prices) resulting from the addition causes a divisor adjustment. <u>Deletion Only</u> The weights of all stocks in the index will proportionally change but relative weights will stay the same. The index divisor will change due to the net change in the index market capitalization.
Change in shares outstanding	All shares outstanding are assigned a constant value (shares = 1). Shares outstanding changes due to corporate actions or other events are not applicable.
Split/Reverse Split	Stock price is adjusted by split ratio. Shares outstanding are not adjusted by the split ratio. There is a change to the index market capitalization due to the price adjustment causing a divisor adjustment.
Spin-off	The price of the parent company is adjusted to the Price of the Parent Company minus (the Price of the Spun-off Company/Share Exchange Ratio). The index divisor adjusts simultaneously. <i>Please refer to the individual index methodology for specific eligibility rules and treatment of spin-offs.</i>
Change in IWF	All IWFs are assigned a constant value (IWF = 1). IWF changes due to corporate actions or other events are not applicable.
Ordinary dividend	When a company pays an ordinary cash dividend, also referred to as a regular cash dividend, the index does not make any adjustments to the price or shares of the stock. As a result, there are no divisor adjustments to the index. Ordinary dividends are reinvested across the index and accounted for in the Total Return index calculations. Additional details on the Total Return calculation can be found in S&P Dow Jones Indices Index Mathematics Methodology.
Special dividend	The stock price is adjusted by the amount of the dividend. The net change to the index market capitalization causes a divisor adjustment.
Rights offering	All rights offerings that are in the money on the ex-date are applied under the assumption the rights are fully subscribed. The stock price is adjusted by the value of the rights. The index market capitalization changes due to the price adjustment causing a divisor adjustment.

Equal Weighted Indices

An equal weighted index is one where every stock, or company, has the same weight in the index at the relevant rebalancing date, and a portfolio that tracks the index will invest an equal dollar amount in each applicable instrument. Therefore, when stocks are added or deleted, either the new stock must assume the actual weight of the old stock, or the entire index must be rebalanced. However, this is not always the case and may vary by index family.

Corporate Action	Treatment
Company Addition/Deletion	<u>Fixed Component Count Index Treatment (Stock Replacements)</u> The company entering the index goes in at the weight of the company coming out. If a company is being removed at a price of 0.00, the replacement goes in at the weight of the deleted company at the close on the day before the effective date. If more than one company is being replaced in the index on a single date, the replacements are added in the order specified in the client announcement. There will be no change in index market capitalization and no divisor change for stock replacements except where a company is removed at a price of zero as noted above. <u>Addition Only</u> Most non-fixed count equal weight indices do not add companies between rebalances. <i>Please refer to the index methodology for further details.</i> <u>Deletion Only</u> The weights of all stocks in the index will proportionately change, due to the absolute change in the number of index constituents. Relative weights will stay the same. The index divisor will change due to the net change in the index market capitalization.
Change in shares outstanding	Shares outstanding changes are offset by an adjustment factor (AWF). There is no change to the index market capitalization and no divisor adjustment.
Split/Reverse Split	Shares outstanding are adjusted by split ratio. Stock price is adjusted by split ratio. There is no change to the index market capitalization and no divisor adjustment.
Spin-off	The spin-off is added to the index on the ex-date at a price of zero. The spin-off index shares are based on the spin-off ratio. On the ex-date the spin-off will have the same attributes and capping adjustment factor (AWF) as its parent company and will remain in the index for at least one trading day. As a result, there will be no change to the index divisor on the ex-date. If the spin-off is ineligible for continued inclusion, it will be removed after the ex-date. In most equal weight indices, the weight of the spin-off is re-invested back into the parent stock on the deletion date. There will be no divisor adjustment in this case. <i>Please refer to the individual index methodology for specific eligibility rules and treatment of spin-offs.</i>
Change in IWF	IWF changes are offset by an adjustment factor (AWF). There is no change to the index market capitalization and no divisor adjustment.
Ordinary dividend	When a company pays an ordinary cash dividend, also referred to as a regular cash dividend, the index does not make any adjustments to the price or shares of the stock. As a result, there are no divisor adjustments to the index. Ordinary dividends are reinvested across the index and accounted for in the Total Return index calculations. Additional details on the Total Return calculation can be found in S&P Dow Jones Indices Index Mathematics Methodology.
Special dividend	The stock price is adjusted by the amount of the dividend. The net change to the index market capitalization causes a divisor adjustment.
Rights offering	All rights offerings that are in the money on the ex-date are applied under the assumption the rights are fully subscribed. The stock price is adjusted by the value of the rights and the shares outstanding are increased by the rights ratio. The change in price and shares is offset by an adjustment factor (AWF) to keep the index market capitalization (stock weight) unchanged. There is no change to the index market capitalization and no divisor adjustment.

Regulatory Capping Requirements

Regulatory capping is not an Index Weighting Type. However, certain indices have capping thresholds designed to support financial products subject to regulatory diversification requirements. Capping thresholds defined in the weighting section of some index methodologies are intended to reflect certain diversification requirements imposed on investment companies under the United States Internal Revenue Code (the “Code”) and the Investment Company Act of 1940 (the “40 Act”) as of the publication date, or under the Directive 2009/65/EC.

Under the United States Internal Revenue Code (the “Code”) and the Investment Company Act of 1940 (the “40 Act”) as of the publication date:

- **Regulated Investment Company (“RIC”).** To qualify as a RIC under the Code, a company must, among other things, ensure that at the end of each quarter of its taxable year:
 - i. no more than 25% of the total value of the company’s assets are invested in securities of a single issuer (other than government securities or the securities of another RIC), and
 - ii. no more than 50% of the total value of the company’s assets are represented by securities (other than government securities or the securities of another RIC) of issuers in which the company’s investment exceeds 5% of the total value of the company’s assets.
- **Diversified Company.** To qualify as a “Diversified Company” under the 40 Act, an investment company must, among other things, ensure that at the end of each fiscal quarter, no more than 25% of the company’s total asset value are represented by securities (other than government securities or the securities of other investment companies) of issuers in which the company’s investment exceeds 5% of the company’s total asset value.

Although the capping procedures are designed to reflect the specific diversification requirements noted above, these procedures cannot guarantee that an asset portfolio constructed based on the index complies with all diversification rules under either the Code or the 40 Act. For instance, the Code and the 40 Act also impose limitations on the percentage of outstanding voting securities of an issuer held by a RIC or a Diversified Fund, and compliance with that requirement depends on the overall size of a fund’s portfolio in addition to the portfolio’s weighting of particular securities. Also, the capping procedures are designed to result in diversification at the end of each calendar quarter, but a fund may have a tax or fiscal year that does not end at the end of a calendar quarter.

S&P DJI makes no representation or warranty with respect to its indices’ compliance with, and S&P DJI will not be responsible or have any liability for, a fund’s failures to satisfy the diversification requirements of the Code or the 40 Act.

Under the Directive 2009/65/EC:

The capping procedures are intended to reflect the diversification requirements imposed by the Directive 2009/65/EC relating to undertakings for collective investment in transferable securities, as amended (the “UCITS Directive”), as of the publication date. The market capitalization weighting is designed to limit concentration and ensure adequate diversification which an undertaking for collective investment in transferable securities (“UCITS”) must comply with at all times.

The UCITS Directive provides that a UCITS must not invest no more than 5% of its assets in “eligible securities”. This limit can be raised to a maximum of 10%, provided that the total value of the eligible securities held by the UCITS in the issuing bodies in which the UCITS invests more than 5 % of its assets must not exceed 40 % of the value of its assets.

By way of derogation from the above diversification requirement, where the UCITS aims to replicate the composition of a certain stock index which is recognized within the European Union, then, provided that the composition of the index is sufficiently diversified, represents an adequate benchmark for the market to which it refers and is published in an appropriate manner, a UCITS must not invest no more than 20%

of its assets in one single issuer. The UCITS Directive allows the 20% limit to be further raised to 35% for one single issuer where justified by exceptional market conditions as further described in its issuing document. A UCITS should not invest in a financial index which has a single component that has an impact on the overall index return which exceeds the relevant diversification requirement (i.e. 20%/35%).

Although the capping procedures referred to in the weighting methodology are designed to reflect the particular UCITS diversification requirements noted above, these procedures cannot guarantee that the portfolio of a UCITS, as constructed based on the index, will comply with all diversification requirements provided under the UCITS Directive. Member States of the European Union may have implemented additional requirements which further substantiate the capping requirements mentioned above (the “National Initiatives”).

In addition, the UCITS Directive also imposes limitations on the percentage of voting securities of a single issuer which a UCITS can hold, and compliance with that requirement depends on the overall size of the UCITS’s portfolio.

It should also be noted that although the capping procedures are designed to result in diversification at the end of each calendar quarter, a UCITS must comply with the diversification requirements as set out in the UCITS Directive at all times. As a result, it cannot be excluded that time that has elapsed pending the rebalancing of the Index as defined below may lead to an investment breach which will have to be remediated by the UCITS in application of the UCITS Directive and any relevant National Initiatives.

S&P DJI makes no representation or warranty with respect to its indices’ compliance with, and S&P will not be responsible or have any liability for a UCITS’s failure to satisfy, the diversification or other requirements under the UCITS Directive or any National Initiatives. Any UCITS should obtain their own legal advice on the application of such requirements.

Treatment of Corporate Actions on Exchange Holidays

Price Adjusting Corporate Actions

Price-adjusting corporate actions such as splits, bonuses, rights, spin-offs, and special dividends with effective dates that fall on an exchange holiday are generally implemented on the next trading day. If an exchange declares a trading holiday with little advance notice, S&P DJI may implement the corporate actions on that date. In such a scenario, the adjusted closing prices are used for index calculation rather than the previous trading day's closing prices. In scenarios when forex rates are relevant to the index calculation, if the forex rate is available but the exchange is closed, the current day forex rate is utilized. If no forex rate is available, the previous day forex rate is utilized.

Non-Price Adjusting Corporate Actions

Share and IWF changes, adds to, and drops from the index, changes of attributes such as country of domicile and GICS classification, etc. are allowed on an exchange holiday. These events take effect before the open of the effective date. Therefore, any trading required would have been completed by the close of the trading day before the effective date.

Bankruptcies, Liquidations, and Stock Suspensions

Bankruptcies

Bankrupt securities are considered ineligible. The removal of a bankrupt security is done at the same time with the same closing price in all S&P DJI' branded indices.

- Same day removals for bankruptcies are not done. Announcements are made such that a minimum of one day's notice is given to clients. For example, if the bankruptcy filing is on Monday, S&P DJI' announcement is published on Monday evening, with the removal on Tuesday after the market close.
- If the security is trading on its primary exchange at the close of the day it is removed, that price is used. If the security is halted on or delisted from its primary exchange, a price of zero is used.
 - **Exception for U.S. listed securities.** If a U.S. listed stock moves from its primary exchange to the OTC market prior to its index deletion date, OTC prices (including Special Opening Quotations if applicable) are used to price the stock for index purposes from the time of the exchange move until its index delisting date regardless of the reason for the exchange move (including bankruptcies, voluntary delistings and non-compliance issues). If a stock moves to OTC but does not trade on OTC prior to its index deletion date, the stock is removed at a zero price.
- **FDIC Receivership.** This refers to the process by which the Federal Deposit Insurance Corporation (in the U.S.) takes over the operations of a failed banking institution and arranges for the liquidation of its assets. Companies that have been placed in FDIC receivership are dropped from all indices at the earliest reasonable date using the rules stated above.

Voluntary Liquidations

Voluntary liquidation is a company's self-initiated process, as decided by the company's directors and shareholders, of closing or winding down operations in an orderly way, pay debts, and distribute remaining assets. Voluntary liquidation only applies to those companies choosing to wind down as opposed to being forced to by courts or creditors, and allows for a controlled shutdown, cessation of trading, employee termination, and asset sale to benefit stakeholders.

The announcement, initiation, or continuation, of a corporate liquidation event do not constitute grounds for the immediate removal of a company from an index, provided that the company continues to trade and satisfies the applicable index eligibility requirements.

Companies conducting a formal voluntary liquidation process are dropped from all indices, effective prior to the open of trading on the ex-date of the first instance of a liquidation payment distribution, or as soon as possible afterwards, with a minimum of two business days' notice.

Company-specific factors may be considered in determining when to remove a company from indices. The Index Committee retains the right to exercise discretion in determining the appropriate liquidation related event treatment in circumstances where the application of standard liquidation event treatment rules would not appropriately reflect market conditions, or where such events are not fully addressed by existing methodologies. Any such determination is announced to clients as soon as possible.

Long-Term Stock Suspensions

S&P DJI carries forward the last available official closing price of suspended stocks for the duration of the suspension period. Suspended stocks that exceed a threshold of 60 consecutive business days, based

on the designated listing exchange trading days, are reviewed for possible index deletion. The suspension review evaluation date to determine a potential index deletion is the last business day of February, May, August, and November. Stocks suspended for a period of 60 days or more, as of the evaluation date, are subject to index deletion. S&P DJI provides advance notice of any such removal, effective at the next rebalancing following the quarterly suspension evaluation date, at a zero price.

As part of the suspension review, stocks with pending corporate actions, or that have announced information regarding the date when the stock will resume trading, are generally not removed from indices. S&P DJI freezes the index shares for suspended stocks across any index rebalancings during the suspension period.

Except for Chinese domestic companies, S&P DJI does not consider restructuring as a corporate action unless further information is disclosed. Restructuring events for Chinese domestic companies (including A, B, & H shares) are recognized as corporate actions and are not removed from indices until the stock trades again.

Stocks suspended for less than 60 business days, as of the quarterly suspension evaluation date, are reviewed for deletion at the following quarterly suspension evaluation date. If a stock resumes trading after S&P DJI's announcement of a stock's removal, the Index Committee may revise the removal decision provided the stock resumes trading at least two business days prior to the implementation of the removal. Any change in status that occurs less than two days before the rebalancing effective date is reviewed by the Index Committee.

To minimize turnover, any stock removed from an index due to the 60 day suspension rule is ineligible for re-inclusion in any index for six months following the removal, even if the stock resumes trading. Stocks under long-term suspension that exceed the threshold of 60 business days are removed at the March, June, September, and December rebalancings. Suspended stocks removed from indices become re-eligible for index inclusion beginning with the subsequent September, December, March, and June rebalancings. For example, a stock removed from an index at a September rebalancing is eligible for re-inclusion beginning with the subsequent March rebalancing.

Any exception to these rules is announced in advance of the implementation.

Short-Term Stock Suspensions

Corporate Actions. If SP DJI has advance knowledge of a stock's trading suspension, even if quoted ex by the exchange, corporate actions occurring during the suspension are not recognized until trading resumes. However, if prior information is not available for a stock's trading suspension, and if a corporate action has been recognized for that day, the market driven actions are implemented on the ex-date and the adjusted prices carried until trading resumes. Index committee discretion can be used when determining whether or when to implement a corporate action for a suspended stock.

Rebalancing Share/IWF Changes. For stocks suspended for less than 60 consecutive business days as of the suspension review evaluation date with no information regarding the date when the stock will resume trading, or information that the stock will resume trading after the rebalancing effective date, no share or IWF changes are applied at the rebalancing.

If a stock suspends after the suspension review evaluation date prior to the rebalancing and with no information regarding the date when the stock will resume trading or information that the stock will resume after the rebalancing effective date, any previously announced share or IWF changes are generally cancelled.

Any rebalancing share or IWF changes cancelled as a result of stock suspension will not be reinstated even if the stock resumes trading prior to the rebalancing.

All such changes are reviewed for implementation at the subsequent rebalancing, subject to eligibility. However, index committee discretion can also be used when determining whether or when to implement a share or IWF change for a suspended stock.

Suspended stocks are generally not added to indices at a rebalancing, even if otherwise eligible. Current index constituents are generally not deleted at a rebalancing solely for the reason of being suspended (unless meeting the criteria for removal under long-term suspension).

For more information, please refer to the Non-Mandatory Share and Investable Weight Factor (IWF) Updates chapter.

Sanctions

Economic and financial sanctions and embargoes are highly dynamic and may be promulgated at any time. These can include prohibitions or restrictions regarding activity involving embargoed or sanctioned countries, regions, governments, people, and entities. Certain of these programs are comprehensive in nature and include broad-based restrictions, while others selectively target specific individuals and entities.

As sanctions can be either comprehensive or selective, S&P DJI reviews sanctions on a case-by-case basis. Generally, S&P DJI considers sanctions using the perspective of a U.S., U.K., and/or European Union (EU) based investor for standard, global indices. Subject to Index Committee determination, specific securities impacted by sanctions may:

- have current shares/IWF/GICS frozen for the duration of the sanctions,
- be removed from indices, and/or
- be made ineligible for addition to indices.

Subject to S&P DJI's compliance with applicable law, S&P DJI may also elect to publish indices whose objective is to measure the performance of securities from the perspective of certain non U.S./U.K./EU investor groups that may not be impacted by the sanctions described above (this can include cases where sanctions may more narrowly prohibit the purchase or sale of publicly traded securities by defined investor groups).

As a consequence, such indices may contain securities subject to sanctions from a U.S./U.K./EU perspective and are therefore ineligible for S&P DJI's global indices. In any such case, the relevant index methodology explicitly defines the sanctions treatment, if necessary. Please note the use and licensing of such indices may be restricted to ensure S&P DJI's compliance with applicable law.

As a matter of practice, regardless of investor perspective, S&P DJI generally does not include securities identified as subject to U.S./U.K./EU blocking or asset freeze measures in indices. Please note that users of S&P DJI's indices are solely responsible for ensuring such users' compliance with all applicable law (including, without limitation, sanctions laws and any other rules, regulations, or prohibitions) in connection with such use (including, without limitation, trading, investment, or other use).

In all cases, S&P DJI's specific treatment is announced to clients where index implications arise.

Domiciles

Investors often allocate their portfolios on a country-by-country basis. Company domicile assignments are important to companies and investors because they determine how companies are perceived by investors and what companies are considered their peers. Also, certain countries may place restrictions on foreign investors' holdings.

Traditionally index providers (including S&P DJI), analysts and investors had relied on incorporation or registration as the primary determinant of a company's domicile. Incorporation determines a company's tax status, the legal structure it follows, and its corporate structure and governance. Difficulties arise when a company uses its domicile for purposes other than simple legal registration, such as minimizing its taxes or adjusting shareholder rights. This often leads to incorporation/registrations in domiciles of convenience such as Bermuda, the Cayman Islands, Channel Islands, etc. See below for a list of domiciles of convenience.

Domicile determination becomes more complex when companies in emerging or frontier markets which seek developed market legal and tax systems (e.g., Chinese companies incorporated in Hong Kong or Bermuda). When a domicile of convenience is chosen, additional information for domicile determination is considered.

Policy

S&P DJI generally determines a company's country of domicile based on the following principal factors:

- Incorporation or registration
- Operational headquarters location
- Stock exchange listings⁷

If all three factors point toward one country, then that country is generally considered the company's country of domicile. When the country of incorporation/registration is a domicile of convenience, only the location of operational headquarters and the exchange listings are considered.

If any of these factors do not align, S&P DJI will generally assign the company to the country of incorporation, provided a broader analysis utilizing the additional factors below does not establish a significant link to another country:

- Geographic breakdown of assets and revenues by country, where available
- Ownership information (such as composition of, and/or geographic distribution of, its shareholder base)
- Additional stock exchange listings
- The functional and reporting currency
- Location of officers, directors, and employees
- Location of annual company meetings
- Company history
- Investor perception

⁷ Common listings only. Excludes Depositary Receipts, OTC, and other similar securities.

- Other factors the Index Committee deems relevant. For example, relative economic size of countries (based on the latest GDP available) may be considered when a company with most factors pointing to a large country on an absolute basis maintains strong ties with another comparatively smaller market.

Final domicile determinations are subject to review by the relevant Committee, if needed. Please note that while a company is assigned a country of domicile based on this policy, individual index methodologies may have other criteria that would exclude it from a headline country index. Please refer to the respective index methodology document for such additional criteria.

This review includes exceptions for China, Russia, and Israel. A large number of companies based in China are incorporated and/or listed and traded in other places such as Hong Kong, Singapore, Bermuda (incorporation) or the U.S. (listings) because the Chinese equity markets are not completely open to global investors. These companies have been, and will continue to be, considered Chinese. Numerous Russian companies are similarly incorporated and traded in London, though headquartered in Russia. Israeli companies are sometimes listed on NASDAQ and incorporated in domiciles of convenience.

Domiciles of Convenience include (but are not limited to):

- Bermuda
- Channel Islands (as in British Channel)
- Gibraltar
- Islands in the Caribbean (Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, British Virgin Islands, Cayman Islands, Dominica, the Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, Navassa Island, Netherlands Antilles, Puerto Rico, St. Barthelemy, St. Kitts and Nevis, St. Lucia, St. Martin, St. Vincent and Grenadines, Trinidad and Tobago, Turks and Caicos, the Virgin Islands)
- Isle of Man
- Luxembourg
- Liberia
- Panama
- Pacific Islands (Marshall Islands, Cook Islands, Guam)

S&P DJI has seen companies reincorporated in certain European countries such as Cyprus, Ireland, the Netherlands, and Switzerland for tax purposes. These European countries are not included in the “domiciles of convenience” list; however other mentioned factors are considered before determining a country of domicile in such cases.

Note that some of the domiciles of convenience have domestic stock exchanges, and a company can therefore be placed in one of these countries if it is incorporated/registered there.

Domicile determination is applied to new index additions and is generally reviewed on an as-needed basis such as when a relevant corporate action has been completed (e.g., a cross-border merger or a change in one of the principal factors). However, S&P DJI’s Index Committee does reserve the right to review companies on a case-by-case basis.

Controls on the Repatriation of Foreign Capital

A government, central bank, or monetary authority can impose controls or restrictions on the repatriation of foreign capital that make it difficult or even impossible to trade securities listed in that market. Moreover, a market can temporarily exhibit other trading constraints, such as insufficient foreign exchange liquidity. If a market institutes capital controls, or experiences other structural trading constraints, S&P Dow Jones Indices will assess the impact and duration of the situation, and may take one or more of the following actions:

1. Continue to maintain the stocks listed in the affected market in accordance with standard ongoing maintenance procedures.
2. Retain the stocks listed in the affected market, but freeze all potential changes until further notice (e.g., shares, float, index shares, adds/drops).
3. Drop the stocks listed in the affected market.
4. Utilize only depository receipts and/or cross-listings for representation of the affected market, if possible, which in some cases may require a switch of the listing included in an index.

S&P DJI will provide advance notice if it elects to drop stocks or switch the listing due to capital controls or other trading constraints. Stocks may be removed at a zero or minimal price at the Committee's discretion, in recognition of the constraints faced by investors.

Once the capital controls or trading constraints are lifted and/or remedied, S&P DJI may reevaluate the status of the affected country using *S&P Dow Jones Indices' Country Classification Methodology*. Any decisions will be communicated to clients as soon as possible through the normal channels.

For more information, please refer to S&P Dow Jones Indices' Country Classification Methodology.

Unexpected Exchange Closures

An unexpected market/exchange closure is when a market/exchange fully or partially fails to open, or trading is temporarily halted. This can apply to a single exchange or to a market as a whole when all of the primary exchanges are closed and/or not trading. Unexpected market/exchange closures are usually due to unforeseen circumstances, such as natural disasters, inclement weather, outages, or other events.

U.S. Securities

To a large degree, S&P DJI is dependent on the exchanges to provide guidance in the event of an unexpected exchange closure. S&P DJI's decisions are dependent on exchange guidance regarding pricing and mandatory corporate actions.

SEC Rule 123C-Equities provides closing contingency procedures for determining an official closing price for listed securities if the exchange is unable to conduct a closing transaction in one or more securities due to a system or technical issue.

3:00 PM ET is the deadline for an exchange to determine its plan of action regarding an outage scenario. As such, S&P DJI also uses 3:00 PM ET as the cutoff.

Full Market Disruptions. If all major exchanges fail to open or unexpectedly halt trading intraday due to unforeseen circumstances, such as natural disasters, inclement weather, outages, or other events, S&P DJI will take the following actions:

- **Market Disruption Prior to Open of Trading:**
 - (i) If all exchanges indicate that trading will not open for a given day, S&P DJI will treat the day as an unscheduled market holiday. The decision will be communicated to clients as soon as possible through the normal channels. Indices containing multiple markets will be calculated as normal, provided that at least one market is open that day. Indices which only contain closed markets will not be calculated.
 - (ii) If exchanges indicate that trading, although delayed, will open for a given day, S&P DJI will begin index calculation when the exchanges open.
- **Market Disruption Intraday:**
 - (i) If exchanges indicate that trading will not resume for a given day, index levels will be calculated using prices determined by the exchanges based on SEC Rule 123C. Intraday index values will continue to use the last traded composite price until the primary exchange publishes Official Closing Prices.

International Securities

International exchanges do not have the same secondary exchange default capabilities as U.S. exchanges. In the event of an unexpected exchange closure, S&P DJI uses the following guidelines:

- (i) If an unexpected exchange closure occurs prior to the open of trading and it is indicated that trading will not open for a given day, S&P DJI will treat the day as an unscheduled market holiday.
- (ii) If a market disruption occurs intraday, S&P DJI will wait for the impacted exchange to publish a list of closing prices, which will then be used to calculate the closing index values. If no list is published, the last trade for each security before the interruption is used to calculate the index

closing value. If no trades were reported for a security, the previous closing price, adjusted for corporate actions, is used for index calculation.

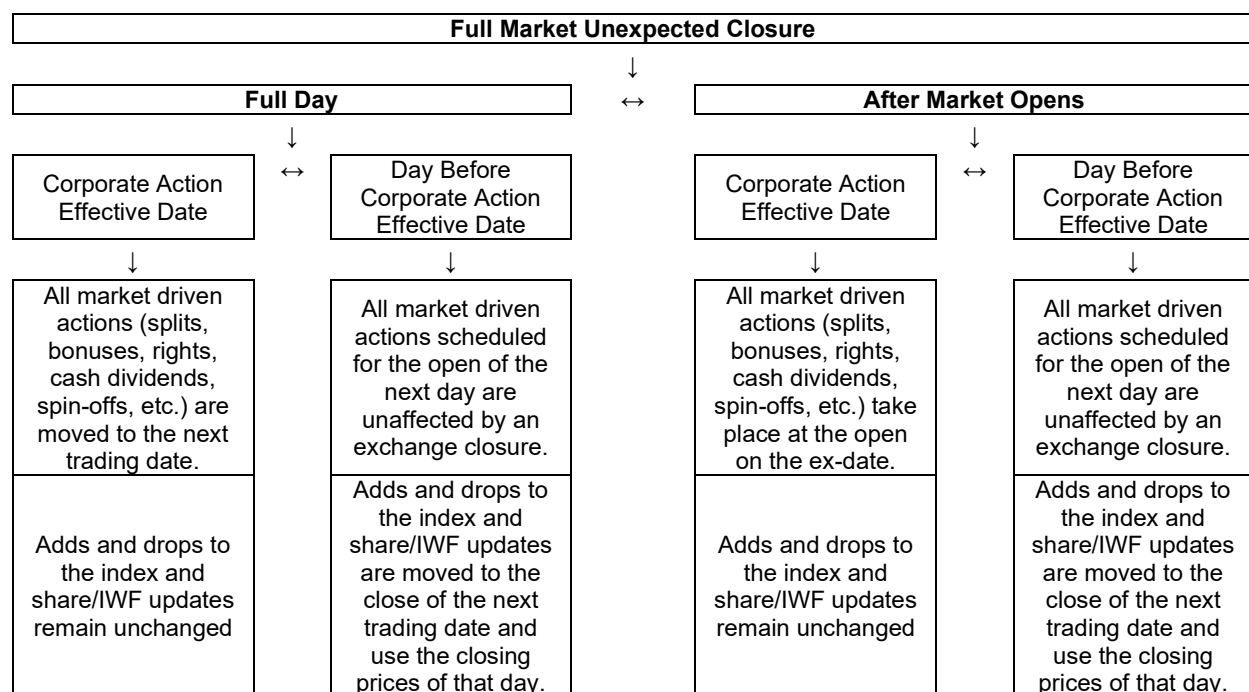
Please refer to the *Index Policy* chapter for more details.

Treatment of Corporate Actions

S&P DJI will take the following steps regarding corporate actions in an effort to provide a replicable index:

In the event of an unexpected full market closure:

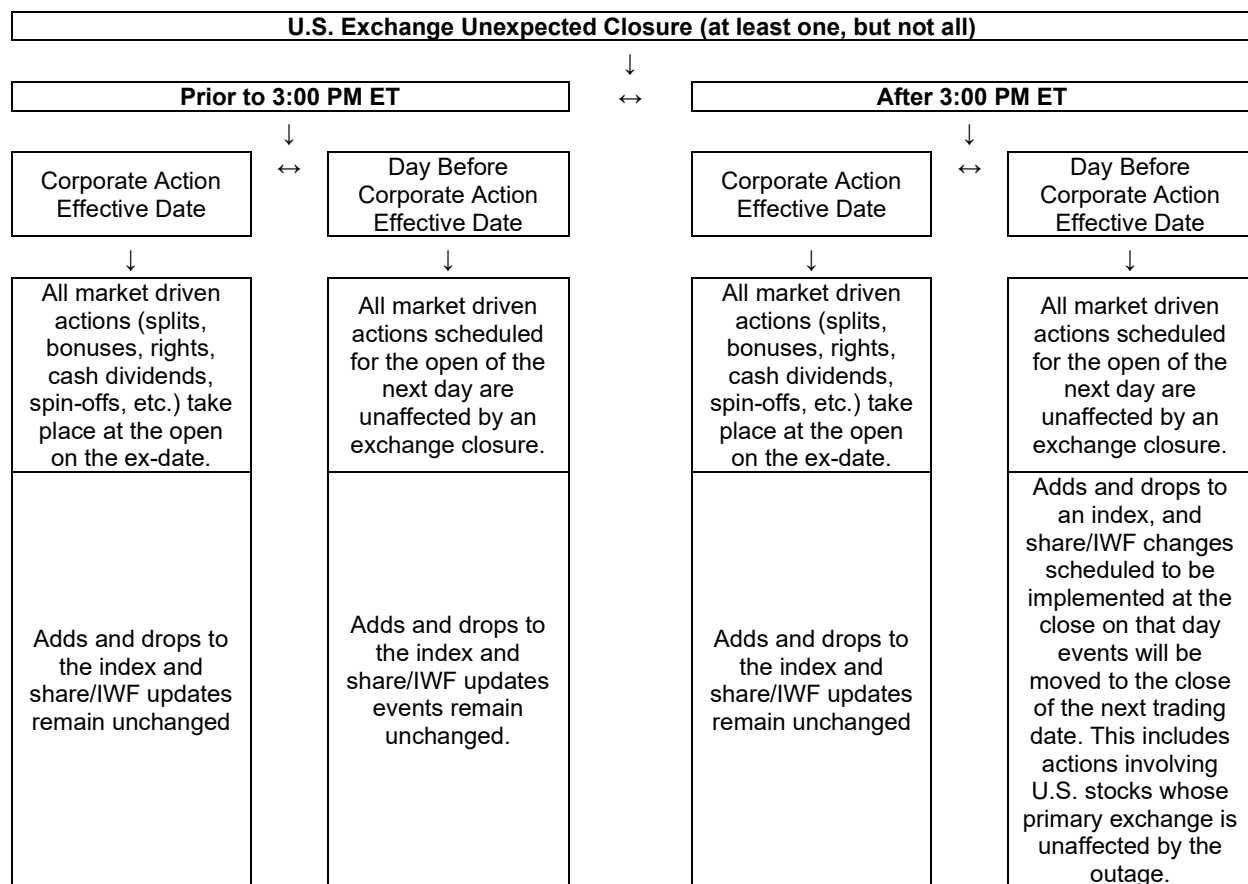
- (i) Full-day closure occurring on the corporate action effective date: All market driven actions (splits, bonuses, rights, cash dividends, spin-offs, etc.) are moved to the next trading date. This involves the reposting of all affected files of each index that contains the impacted stocks. However, the exchange's lead is followed in such situations. If the exchange moves the corporate action ex-date, S&P DJI does the same. Adds and drops to the index and share/IWF updates remain unchanged, since trading was completed at the close on the day before the effective date.
- (ii) Unexpected early market closure occurring on the corporate action effective date: When all exchanges in a market are forced to close early, all market driven actions (splits, bonuses, rights, cash dividends, spin-offs, etc.) take place at the open on the ex-date. Adds and drops to the index and share/IWF updates remain unchanged, since trading was completed at the close on the day before the effective date.
- (iii) Full-day or unexpected early market closure occurring on the day before the corporate action effective date: Adds and drops to the index and share/IWF updates are moved to the close of the next trading date and use the closing prices of that day. All market driven actions scheduled for the open of the next day are unaffected by an exchange closure on the day before the ex-date.



U.S. Markets. In the event of an unexpected exchange closure where at least one other exchange is operating normally:

- (i) If the impacted exchange has an unexpected closure prior to 3:00 PM ET and is not expected to reopen before 3:00 PM ET, events will not be moved. Corporate actions, including adds and drops to the index and share/IWF events remain unchanged. All index changes will be implemented using prices determined by the exchanges based on SEC Rule 123C.

- (ii) In the event at least one exchange has an unexpected closure after 3:00 PM ET, all adds and drops to an index, and share/IWF changes scheduled to be implemented at the close on that day will be 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 exchanges based on SEC Rule 123C.

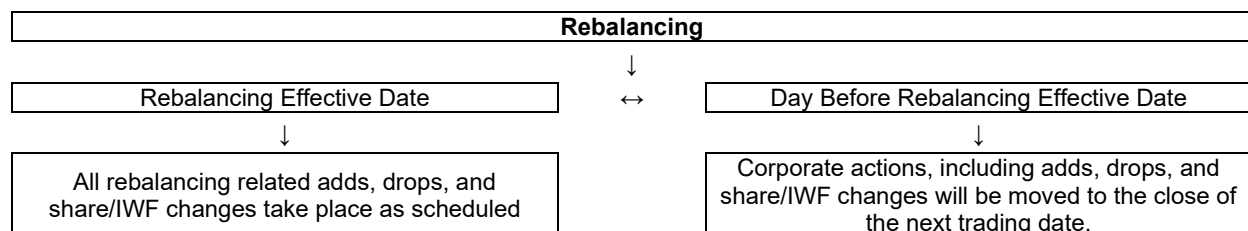


For global indices, the effective date of corporate actions, including adds, drops, and share/IWF updates, remain unchanged for the markets not impacted by unexpected closure.

Rebalancing

If an exchange is fully closed or has an unexpected early market closure on the effective date and an index rebalancing is scheduled for the opening of the effective date, all the rebalancing related adds, drops, and share/IWF changes take place as scheduled since trading will have been completed at the close on the day before the effective date.

If an exchange is fully closed or has an unexpected early market closure and closing prices are not available on the day prior to an index rebalancing effective date, S&P DJI will generally shift corporate actions, including adds, drops, and share/IWF changes.



U.S. Markets. If at least one exchange has an unexpected closure after 3:00 PM ET, all adds and drops to an index, and share/IWF changes scheduled to be implemented at the close on that day, will be 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 exchanges based on SEC Rule 123C.

The rebalancing treatment listed above is the general policy. The Index Committee will review each situation on a case-by-case basis and the appropriate treatment will be announced in advance to clients.

Index Recalculation Policy

S&P DJI reserves the right to recalculate an index at its discretion in the event one of the following occurs:

1. Incorrect or revised closing price of one or more constituent securities
2. Missed or misapplied corporate action
3. Late announcement of a corporate action
4. Incorrect calculation or data entry error
5. Incorrect application of an index methodology, as described below in *Index Methodology Event*

A general description of how these events are handled is provided in the table below.

The decision to recalculate an index is made at the discretion of the applicable Index Manager and/or Index Committee, as set forth herein. The potential market impact or disruption resulting from a recalculation is considered when making any such decision.

In the event one of the following recalculation events is discovered within two trading days of its occurrence, generally the index is recalculated. In the event any such recalculation event is discovered beyond the two-trading day period, the applicable Index Committee shall decide whether the index should be recalculated.

Recalculation Events	Treatment In S&P DJI's Branded Indices
Closing Price	Incorrect constituent closing prices are generally corrected and reposted.
Missed or Misapplied Corporate Action	Missed or misapplied corporate actions are corrected & reposted.
Late Announcement of a Corporate Action	<u>Divisor Impact:</u> Divisor-impacting information is corrected and reposted. <u>No Divisor Impact:</u> Late information, including regular cash dividends, that does not impact the index divisor are applied at the earliest opportunity when S&P DJI becomes aware of the event. For late announced or canceled dividends, S&P DJI generally uses a Post Ex-date Dividend Adjustment, unless otherwise notified. See the <i>Post Ex-date Dividend Adjustment</i> section for further information. Stock splits, bonus issues or stock dividends and reverse stock splits are applied on the correct ex-date. If these are announced on the same day (either that this is taking place or that a previously announced event is being postponed or cancelled), they are applied on the correct ex-date and files are not reposted. Same day corporate actions are included in the current day files, so previous day files are not reposted. If these are announced after the ex-date, then it is applied on the correct ex-date and files are regenerated and reposted.
Incorrect Calculation or Data Entry Error	Incorrect calculations or data entry mistakes caused by S&P DJI are corrected and impacted indices are recalculated.

Incorrect Application of an Index Methodology. The Index Committee shall determine whether or not to recalculate an index in the event an error is discovered by S&P DJI that was caused by the incorrect application of an index methodology and results in the incorrect composition and/or weighting of index constituents. The committee has final discretion but generally considers the following guidelines:

- In the event the Index Committee discovers, based on index eligibility and selection criteria for a given index as documented in the index's methodology, a company was incorrectly added to, dropped from, or retained in an index, or the constituent weightings in the index were incorrectly assigned, the Index Committee may decide to amend the constituents or weighting of the index in line with the index methodology on a future date (as opposed to retroactively) providing reasonable advance notice from the announcement date to the effective date. The Index Committee will generally not alter the index composition and/or weightings of constituents retroactively except in accordance with the following guidelines:
 - The addition of a constituent that does not meet the index objective as defined in the index methodology (e.g., adding a stock that is not Shariah-compliant to a Shariah index).
 - The changes made differ from those that were announced by S&P DJI in advance of the effective date (e.g., pro-forma files).
 - The change would result in greater than de minimis performance impact and is consistent with index usage.
- If an incorrect application of the methodology for determining index composition or weighting is discovered after the action has been announced by S&P DJI, but prior to the effective date of the action, S&P DJI reserves the right to rescind the action and restate it using corrected data.

In the event S&P DJI chooses to recalculate an index, it shall do so within a reasonable timeframe following the detection and review of the issue. If it is determined that an index will be recalculated, the following steps will be taken upon completion of the recalculation:

- All impacted files are regenerated and reposted.
- All clients (i.e., S&P DJI-licensed entities) are notified of the recalculation and alerted when files have been successfully reposted.

S&P DJI calculates real-time (intraday) values for some of its indices. In the event there is an error with a real-time calculation or a restatement of end-of-day values for one of these indices, S&P DJI will not recompute intraday values for the impacted time period.

S&P DJI applies the recalculation rules set forth herein to its branded indices and markets (developed, emerging and frontier). Any decisions that differ from the stated rules will be reviewed by the Index Committee and announced accordingly.

Common Identifiers. Incorrect identifiers are generally corrected on the same day such an error is detected and will be included in the next regularly scheduled file delivery.

End-of-Month Global Fundamental Data – Recalculation Policy

S&P DJI calculates and distributes End-of-Month ("EOM") Global Fundamental Data for various indices, and reserves the right to recalculate and repost the EOM files at its discretion should either of the following events occur:

1. Incorrect underlying data point used in the calculation
2. Incorrect application of index methodology or missed methodology event

In the event one of the recalculation events is discovered within one month of its occurrence and impacts only the latest files produced, the Index Manager may, at their discretion, recalculate and repost the EOM files without involving the Index Committee. In the event any such recalculation event is discovered

beyond the one month period and/or impacts files beyond the latest files produced, the applicable Index Committee shall decide whether the data will be recalculated, and files reposted. In the event S&P DJI chooses to recalculate Global Fundamental Data, it shall do so within a reasonable timeframe following the detection and review of the issue. If it is determined that the data will be recalculated, the following steps will be taken upon completion of the recalculation:

- All impacted files are regenerated and reposted.
- All clients (i.e., S&P DJI-licensed entities) are notified of the recalculation and alerted when files have been successfully reposted.

Index Governance

For more information on Index Governance, please refer to the [S&P Dow Jones Indices' Index Governance Policies Methodology](#).

Index Policy

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily to all clients. Announcements of additions and deletions for headline equity indices are generally made shortly after market close. Press releases are posted on the Web site, www.spglobal.com/spdji/, and are released to major news services.

For reposting guidelines due to late announcements or analyst errors, please refer to the Recalculation Policy for S&P Dow Jones Indices' Branded Indices chapter.

Pro-forma Files

In addition to the corporate events file (.SDE), S&P DJI provides constituent pro-forma files for many indices at the time of rebalancing. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents as well as their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

Please visit www.spglobal.com/spdji/ for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The indices are calculated daily, throughout the calendar year. The only days an index is not calculated are on days when all exchanges where an index's constituents are listed are officially closed. Any exceptions to this are noted in the respective index's methodology.

A complete index holiday schedule for the year is available at www.spglobal.com/spdji/.

Exchange Rate

WMR foreign exchange rates are taken daily at 4:00 PM London Time and used in the calculation of the indices. These mid-market fixings are calculated by WMR based on LSEG data and appear on LSEG pages. Indices not using the WMR exchange rate indicate the exchange rate, if any, used in their respective methodology document.

Corporate Actions Applicable to Domestic Investors Only

In general, if a corporate action is restricted to domestic investors only, it is not recognized in the global indices.

Special Index Variations

S&P DJI may calculate separate versions of S&P- or Dow Jones-branded indices which may be tailored in a variety of ways such as the exclusion of certain constituents or sectors, different rebalancing schedules, weighting schemes, currencies of calculation, or tax rates. In such cases, the index follows the methodology of the parent index except where otherwise noted.

Child Indices

S&P DJI calculates and maintains a number of sub-indices (“Child Index” or “Child Indices”) derived from a larger or broader index (“Parent Index” or “Parent Indices”). A Child Index provides a further breakdown of individual constituents within a Parent Index based on a specific attribute, such as a specific sector, country, or geographic region. The actual composition of each Child Index is a subset of the respective Parent Index, with the weights of the Child Index constituents relative to their weights in the Parent Index. Therefore, a change to a Parent Index’s composition causes a simultaneous change to the composition of the relevant Child Index.

A Child Index can be viewed as a building block of the Parent Index, which helps users better understand the overall performance of the Parent Index. In certain cases, Child Indices range from broad, well diversified benchmarks to very narrow, concentrated baskets. S&P DJI may choose to publish these Child Indices for a variety of purposes including performance attribution.

Child Indices are eligible to be calculated and published each trading day in end-of-day files provided the current composition of the Parent Index includes the specific attribute. For example, if a particular GICS sector is not represented in the Parent Index on trading day (t), then no Child Index for that sector is calculated and published by S&P DJI on trading day (t). However, if that sector is represented within the Parent Index following a future rebalancing or reconstitution, S&P DJI will calculate and publish the applicable Child Index in end-of-day files.

As the constituents of a Parent Index change over time, there may be periods where an eligible Child Index is active or inactive, and is thereby added to or removed from end-of-day files. If a Child Index is added on trading day (t), the Child Index level is set to a predefined value (e.g., 100.00 or 1000.00) on trading day (t-1), and subsequently appears in end-of-day files on trading day (t). If a Child Index is removed, the relevant Child Index no longer appears in the end-of-day files, but remains eligible for inclusion in the future. The calculation and publication of Child Indices is an automated process, dependent on whether the applicable attribute appears in the Parent Index; accordingly, S&P DJI does not provide advance notice on the addition to or removal of Child Indices from end-of-day files.

Measuring the performance of an index requires a continuous and uninterrupted time series. Each reactivation instance of a Child Index signifies a new time series, and any historical data prior to that reactivation date should be treated as a separate time series.

Index Cessations

For information on index cessations, please refer to the [S&P Dow Jones Indices Cessations Policy](#).

Calculations and Pricing Disruptions

Special Open Quotation (SOQ)

The special opening quotation (“SOQ”) is calculated using the same methodology as the underlying index except that the price used for each index constituent is the open price at which the security first trades upon the opening of the exchange on a given trading day.

For more information on SOQ calculation, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.

Real-time Index Calculation

For certain indices, S&P DJI calculates intraday index calculations using real-time exchange traded prices. S&P DJI does not calculate with each traded price, but rather, calculates on a pre-determined fixed interval (e.g., every five seconds). At each fixed interval, the index calculates with the latest real-time pricing for each underlying security included in the index. If a new price is not available since the last real-time calculation, the calculation leverages the last available traded price provided by the exchange. In the

absence of a real-time traded price for a given security, the calculation will leverage the prior days' closing price adjusted for corporate actions.

S&P DJI also maintains price thresholds for real-time securities and indices to prevent unusually large price movements or incorrect price adjustments to adversely impact index calculations.

- **Security Level:** If a security price breaches a threshold, the system generates an internal alert and temporarily holds the last price prior to the breach. For index calculations, a held security is included in the calculation, but the calculation uses the security's last accepted price prior to the breach. Once the held price is confirmed or falls back within the acceptable tolerance, the latest real-time price for the security is used for index calculations.
- **Index Level:** If an index calculation breaches a threshold the system generates an internal alert but continues calculating and disseminating the index level as an S&P analyst investigates and responds to the alert accordingly.

S&P DJI seeks to minimize any disruptions to its index calculations. In the event there is a disruption in intraday calculations, S&P DJI will not recalculate the impacted period.

End-of Day-Calculations (EOD)

S&P DJI leverages exchange provided prices for official end-of-day index calculations. For each exchange, S&P DJI will use the relevant price (e.g. last trade, auction, VWAP, official close) as defined in the [S&P DJI Global Equity Close Prices](http://www.spglobal.com/spdji/) available at www.spglobal.com/spdji/. These prices are validated by index analysts prior to distribution of official index levels and files. S&P DJI performs secondary checks to determine if an exchange modifies the official price used by S&P DJI. In situations when there is an amended price, S&P DJI generally recalculates and reposts all affected files. Please refer to the Recalculation Policy section of this document for further information.

U.S. Securities. Official EOD calculations are based on each stock's primary market closing price. Prices used for the calculation of real-time index values are based on the "Consolidated Tape". The "Consolidated Tape" is an aggregation of trades for each security over all regional exchanges and trading venues and includes the primary exchange. If there is a failure or interruption on one or more exchanges, real-time calculations will continue as long as the "Consolidated Tape" is operational.

If an interruption is not resolved prior to the market close, official closing prices will be determined based on SEC Rule 123C as outlined in the *Unexpected Exchange Closures* chapter.

A notice is published on S&P DJI's Web site at www.spglobal.com/spdji/ indicating any changes to the prices used in index calculations.

In extreme circumstances, S&P DJI may decide to delay index adjustments or not publish an index.

All Other Securities. Real-time calculations of equity indices incorporating securities use prices obtained from ICE or Refinitiv. If the primary vendor used by S&P DJI experiences a disruption or failure, S&P DJI will switch to the alternate vendor. Real-time calculated and published values will be disrupted until the vendor switch is implemented. If an exchange suffers a failure or interruption, real-time calculations for indices including relevant securities will be impacted until the issue is resolved. During such disruption events, S&P DJI will continue to calculate and publish index values with the latest available prices. This may result in indices flat-lining (e.g., no change in value) in a complete outage or partially updating in the event some constituent securities are not impacted by the disruption. In extreme circumstances, S&P DJI may decide to delay index adjustments or not publish an index.

Other Adjustments

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.

Expert Judgment

S&P DJI's Index Committees may exercise Expert Judgment when the situation calls for the interpretation of data in calculating and maintaining an S&P DJI Index. S&P DJI maintains internal records of the use of Expert Judgment and the rationale for any such use. To the extent applicable to equity indices, Expert Judgment refers to S&P DJI's exercise of discretion with respect to its use of data in determining an index in the following context: Expert Judgment includes extrapolating data from prior or related transactions, adjusting data for factors that might influence the quality of data such as market events or impairment of a buyer or seller's credit quality, or weighing firm bids or offers greater than a particular concluded transaction. Other areas of discretion, such as methodology changes, are not, for the purposes of this document, considered Expert Judgment.

Discretion

S&P DJI's Index Committees may apply discretion to make decisions that differ from the index methodology in certain circumstances, including, to avoid unnecessary turnover, excessive index changes or adjustments, possible market disruption, to enhance/allow for index replicability, or when strict application of the index rules results in inconsistency with the intention of the index objective.

Data Hierarchy and Data Sources

Data Hierarchy. Data used for the indices governed by this methodology may include:

- a) Completed transaction data are used in these indices in the vast majority of cases; and/or
- b) For certain corporate actions, theoretical prices may be derived using the existing security price and the specifics of the corporate action.

Data Sources. The primary source for pricing data is generally the exchange upon which the underlying security is traded (either directly from the applicable exchange or via a third party data vendor).

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.

Appendix A – Definitions and Terms

Rights Offering Terms and Definitions

Rights Offering. An event in which existing shareholders are given the right to buy a specified number of additional shares from a company, at a specified price ('rights' or 'subscription' price), within a specified time ('subscription period'). A rights issue is offered to all existing shareholders individually and may be accepted in full, accepted in part or rejected. A right to a share is generally issued as a ratio to shares held (e.g., 1:3 rights issue, meaning a right to buy one new share for every three shares owned).

Rights issues may be underwritten. The role of the underwriter is to guarantee that the company will raise a minimum amount of capital. Typical terms of an underwriting require the underwriter to subscribe to any shares offered to, but not taken up by, shareholders. Underwriters and sub-underwriters may be governments, financial institutions, stockbrokers, major shareholders of the company, or any other party.

Open Offering. Open offers have been most commonly recognized in the UK. These are a type of UK equity placing where existing shareholders are offered the opportunity to buy shares at a discounted rate to the market price. This is almost always accompanied by an equity placing available to all investors. Open offers are 'non-renounceable'. Shareholders must either take up the offer or let them lapse. Once the offer has expired, it no longer exists. The shareholders have an entitlement, rather than a tradable right, to subscribe to new shares. For this reason, an open offer is sometimes referred to as an entitlement issue. Any entitlement that is not taken up simply expires. Open offers are not transferable (tradable) on the open market. As in the case of rights, open offer issues may or may not be underwritten.

Renounceable Rights Offering. The rights issued to an existing shareholder are transferable on the open market, and are able to be sold separately from the share to other investors during the life of the right. Renounceable rights are referred to as "transferable" in the U.S. or "tradable" in other markets. All three of these terms – renounceable, transferable, and tradable – are used interchangeably throughout this document.

Non-Renounceable Rights Offering. The rights issued as part of the offering cannot be traded. Shareholders must either take up the rights or let them lapse upon expiration. Once the rights have expired, they no longer exist. Also referred to as "non-transferable" or "non-tradable".

Accelerated Rights/Entitlement Offering. This is most commonly used in Australia, but is also gaining popularity in Singapore and the UK. This type of rights offering grants the issuer quick access to capital markets without disadvantaging smaller investors. The institutional component of the offer is conducted during a trading halt and the company generally resumes trading on an ex-rights/entitlement basis within three to five trading days. Retail investors generally have two to three weeks to decide to take up the offer. Also known as Jumbo's, RAPIDS, and AREO's.

Features (some or all of the following features may be present):

- The stock is suspended when the rights offering is announced.
- The offer made to institutional holders typically occurs before retail holders – institutional investors are asked to subscribe on the same day vs. retail investors, who are given more time to consider the issues (usually within two weeks of the original offering).
- The offer can be conducted on a renounceable or non-renounceable basis.
- A capital raising announcement may be combined with the offering.

Pro-rata Accelerated Institutional, Tradable Retail Entitlement Offering. This type of entitlement offering grants the issuer quick access to capital markets. It comprises an accelerated institutional entitlement offer as well as a tradable retail entitlement offer. The institutional component of the offer is conducted as an AREO (see above); retail investors have the option to sell their entitlement on the open market, take up the offer or let their entitlement lapse. This is also known as a PAITREO.

Features (some or all of the following features may be present):

- The stock is suspended when the entitlement offering is announced.
- The offer made to institutional holders is conducted as an Accelerated Rights/Entitlement Offering during the trading halt period. Any renounced right/entitlements are sold through a book building process.
- The offer made to retail holders is conducted as a Renounceable Rights/Entitlement Offering whereby the right/entitlements are tradable.

Poison Pill Rights. These are commonly seen in U.S. markets. This is a defensive strategy used by companies faced with a hostile takeover. The target company issues rights to existing shareholders to acquire a large number of common shares. These rights can be exercised if anyone acquires more than a set amount of the target company's stock. This dilutes the percentage of the target owned by the bidder, and makes it more expensive to acquire control of the target.

S&P DJI does not recognize poison pill rights.

In-the-Money. If the rights or open offer price represents a discount to the price of the stock following the close of trading on the day before the ex-date, then the offer is said to be "in-the-money".

Out-of-the-Money. If the rights or open offer price is greater than or equal to the stock price on the day before the ex-date, then the offer is said to be "out-of-the-money."

Terms

Ex-Date. The starting date where a security is traded without the previously declared dividend. After the ex-date, a stock is said to trade ex-dividend.

Ex-Rights. The shares no longer have the rights offering attached to them.

Expiration Date. The end of the subscription period; the last day that the rights can be exercised. This is also known as the "renunciation date" in some markets.

Record Date. The date that is used to determine the holders who are entitled to the offering.

Subscription Period. The period during which it is possible to exercise the right by paying the subscription price. Also, renounceable rights are available for trading during the subscription period. When the subscription period ends (on the "expiration date"), those rights not yet subscribed will expire at zero value.

Subscription Price. Also known as the "offer price" or "rights price". This is the price at which existing shareholders can purchase the new shares.

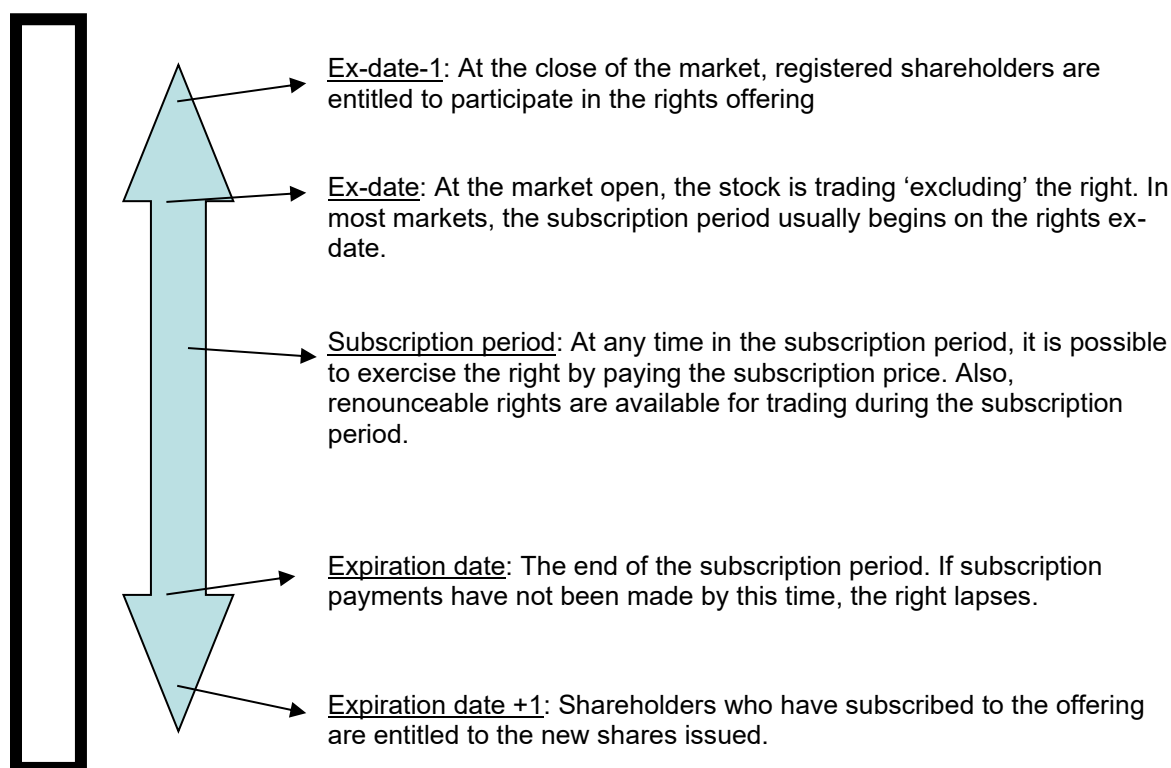
Theoretical Ex-Rights Price (TERP). This is the theoretical price of a stock after a new rights issue. This is also referred to as the "Adjusted Price" throughout this document.

Terms Used Interchangeably across S&P DJI

S&P DJI strives to use standardized terms in all documents. However, due to local market terminologies, analysts might come across different regions or groups using different terms to describe the same item. Here is a list of commonly used terms and their synonyms:

COMMONLY USED TERM	INTERCHANGEABLE TERMS USED/MEANING OF THE TERM
Adjusted Price	TERP (Theoretical Ex-Rights Price); Ex-Rights Price, Theoretical Open Price, Next Day Open Price
Dividend Disadvantage, Dividend Difference	Future dividend amount that new shares are <i>not</i> entitled to
Expiration Date	Renunciation Date
Market Value of the Stock	Cum Price or Cum Rights Price. This is the closing price on the day before the rights ex-date
Non-Renounceable	Non-Tradable, Non-Transferable, Open Offer (in the UK)
Price Adjustment Factor (PAF)	Dilution Factor
Renounceable	Tradable, Transferable
Rights Offering – broad term used to describe all kinds of rights (renounceable and non-renounceable)	Entitlement Offer (used in Australia for non-renounceable rights); Open Offer (used in UK for non-renounceable rights)
Subscription Price	Offer Price, Rights Price (please note that in Australian indices, the price at which the additional rights line is added to the index for renounceable rights is referred to as the “Rights Price”), Application Money (in Australia)
Underwritten	Guaranteed (in North America)
Value of the Rights	Price Adjustment, Price Adjustment Amount, Implied Rights Value

Life Cycle of a Rights Offering



Spin-Off. When a corporation divests a subsidiary or division to create a new, independent company. The spun-off company takes assets, intellectual property, technology, and/or existing products from the parent organization and forms its own private or publicly listed company. Shares of the new organization are distributed to the equity shareholders of the parent organization, at a ratio established by the parent, to keep or sell at their discretion. The new company formed by this divestiture is called the “spun-off” entity. Spin-offs may also be referred to as “demergers”.

Zero Price Spin-Off. For index implementation, a spun-off entity is added to all indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date. There is no divisor change. All key attributes of the spun-off company are the same as the parent’s at the time of addition.

Carve-out. This is also referred to as a “partial spin-off”. In the case of a carve-out, the parent company sells a minority stake in a subsidiary to the public through an IPO.

Split-Off. In a split-off, the existing shareholders of the parent company must relinquish their shares in the parent company to receive shares in the subsidiary. The key difference between a spin-off and a split-off is that, in the case of the latter, the shareholders need to act – either opt in for the split-off and give up their shares in the parent company to receive shares in the subsidiary, or do nothing and keep the shares of the parent company. In a spin-off, existing shareholders in the parent company do not need to trade or take any action (unless they choose to). They automatically receive shares in the subsidiary.

When-Issued Trading. When-issued trading is the trading of securities that takes place before the securities are issued. When-issued markets, a short form of “when, as, and if issued”, are active in price discovery for new securities. The term refers to a conditional security that is authorized for issuance, but not yet actually issued. All “when issued” transactions occur on an “if and when” basis and are settled if and when the actual security is issued.

Regular Way Trading. Trading after a security has been issued.

In-Specie. This term is Latin for “in its actual form” and is used often in spin-off related discussions. It implies that the distribution of an asset will be in its actual form rather than in cash or other forms. In-Specie distribution is made when cash is not readily available and allocating the physical asset is the better alternative. A stock dividend is an example of an in-specie distribution.

Spin-off Ratio. This is the ratio of new shares in the spun-off entity to the existing shares in the parent company. For instance, a 2:3 (or 2 per 3) spin-off ratio implies that existing shareholders will receive two shares in the spun-off entity for every three shares they hold of the parent company. Also referred to as the “Distribution Ratio”.

Distribution Date. In the context of a spin-off, this is the date on which the spun-off entity shares are distributed. This is sometimes referred to as the “payable date”.

Ex-Distribution Date. The date on which the parent security is first traded without the right to receive the distribution. Shareholders who own the parent security prior to the ex-date will receive shares in the spun-off entity. Investors who purchase the parent stock on or after the ex-date will not receive shares in the spun-off entity. In most, but not all, cases the ex-distribution date will be the day after the payable date.

Record Date. The date that is used to determine the holders who are entitled to a distribution or offering.

Settlement Date. The date that the securities must be delivered and paid for to complete a transaction.

Acquisition. An acquisition is an event in which a company buys most, if not all, of the target company in order to assume control. The acquisition could be done via a cash offer, stock swap or a combination of both. For the purposes of S&P DJI’s branded indices, an acquisition will result in the deletion of the target company, as well as a possible share issuance and IWF change to the acquirer, if the purchase was funded with acquirer shares.

At-the-market Offerings. This is a registered offering of securities by a publicly traded issuer periodically over time at the prevailing market price. This is done through a placement agent or designated broker-dealer. The issuer has control over when the securities are sold, the amount sold, and the minimum price at which they may be sold. The issuer may stop the offering at any time. The broker-dealer is paid a commission on the securities sold.

Bankruptcy. A legally declared inability or impairment of ability of an individual or organization to pay their creditors. Bankrupt companies will typically be delisted by the exchange on which their shares are traded.

Book building. This is a price-discovery process wherein an underwriter accepts and records investor demand for shares and the price they are willing to pay. This information is, then, used by the underwriter to determine an issue price when the book building is closed.

Bought Deal Equity Offering. A new share issuance by a company which is taken up in its entirety, usually by a few underwriters, to be resold later to investors. Shares are offered to underwriters at a discounted price and payment is made up front.

Cash Offer. Shareholders of the target company are offered cash by the acquirer for the stocks they own in the target company.

Foreign Ownership Limit (FOL). The statutory limit restricting foreign ownership in a given company.

Delisting. This refers to the removal of a listed security from the exchange on which it trades. The security is removed from the exchange because the company is not in compliance with the listing requirements of the exchange. Delisting could be a voluntary action taken by the company or involuntary. This typically occurs when a company has become private after a merger/acquisition, declares bankruptcy, or no longer satisfies the listing rules of the stock exchange.

Dutch Auction. This is also referred to as the “descending price auction” or “clock auction”. The bidding process starts with a high asking price which is then lowered until a participant accepts the auctioneer’s price or a pre-determined minimum acceptable price set by the seller. In the U.S., Treasury Bills (T-Bills) are sold through this process. The Treasury accepts higher bids first and continues to accept progressively lower bids until an issue is completely sold. IPOs may also be sold through Dutch Auction.

Exchange offers. An exchange offer takes place when a company exchanges its securities for a different series that it has issued or for securities of another company (as seen with split-offs). This should not be confused with the conversion of preferred stocks or bonds to common stock.

FDIC Receivership. In the U.S., this is the process by which the Federal Deposit Insurance Corporation takes over the operations of a failed banking institution and arranges for the liquidation of its assets.

Float-Adjusted Shares. Total number of shares held by the public and available for trading. These are the shares outstanding adjusted for any restricted shares or strategic holdings.

Initial Public Offering (IPO). A privately held company or unit selling stock to the public for the first time.

IWF. The percentage of shares outstanding that is readily available to investors for a given company. Investors who own shares with the intention of maintaining control are said to be investors of a “strategic” nature and are not included in the IWF calculation.

Merger. A merger is the combination of two (or more) companies into one larger company, involving a stock swap and/or cash payment to the shareholders of the target company. If both companies are in an S&P Dow Jones’ index, one company, identified as the “target company”, is deleted from the index, and the acquirer or surviving company may see a share, IWF and name change, depending on the terms of the deal.

Multiple Share Classes. Companies might choose to issue multiple classes of common stock, such as Class A and Class B shares. For example, Berkshire Hathaway Inc. has two classes of common stock designated Class A and Class B. Generally, one class of shares will have more voting rights and/or conversion privileges compared to the other. These shares can be listed or unlisted and priced separately.

For Chinese companies, multiple share classes may include:

- **A-Shares.** These are shares in companies incorporated in mainland China. A-shares are issued in China, governed by Chinese law, trade in the local currency, and are listed on the local Shanghai or Shenzhen Stock Exchanges. Only Chinese nationals and select Qualified Foreign Institutional Investors (QFII) are allowed to trade A-shares.
- **B-Shares.** These are local shares issued by companies in mainland China, quoted in Hong Kong dollars (on the Shenzhen exchange) and U.S. dollars (on the Shanghai exchange), and available to foreigners and certain classes of domestic investors.
- **H-Shares.** These trade in Hong Kong in Hong Kong dollars. The companies are registered in mainland China.
- **N-Shares.** These are shares of Chinese companies listed in the U.S. (as ADRs). These trade in U.S. dollars and follow the GAAP accounting system. Similarly, L-Shares, J-Shares and S-shares are Chinese companies listed on the London Stock Exchange, Tokyo Stock Exchange, and Singapore Exchange, respectively.

Private Placement. This involves direct placement of new shares to a select group of investors. Private placement of shares does not have to be registered with the Securities and Exchange Commission (in the U.S.) and is done without any underwriters being involved.

Prospectus Offering. A means by which companies raise capital by selling shares to underwriters at a pre-determined price. The underwriters act on a “best efforts” basis and assume no risk if the stock cannot be sold. A prospectus offering will list the number of shares, selling price, commission rate, optional overallotment (also called a “greenshoe”), and a closing date.

Recapitalization. A change in the company’s capital structure which often involves altering the asset allocation between equity and debt.

Restricted Shares. These are shares acquired in unregistered, private sales from the issuer to the investors. Investors generally receive these shares through private placement offerings, as consideration in mergers, and employee incentive or compensation plans. A holding period is associated with these shares. In the U.S., the sale of restricted shares requires a filing with the SEC (Securities and Exchange Commission) in most cases. These shares are also referred to as “Unregistered Shares”.

Reverse Takeover. This is the acquisition of a publicly traded company by a privately held company. A private company might choose to go public using this route over an IPO, to bypass the complex process involved with an initial public offering.

Scrip Offer. This term is commonly used in some markets to refer to an all-stock takeover offer. The acquirer offers its shares to the target company shareholders as the consideration instead of cash.

Public Offering. This is the issuance of shares to the public following an initial public offering. Public offerings can take one of the following forms: (a) the company can issue new shares to the public, thereby increasing the shares outstanding of the issuing company and diluting the ownership of existing shareholders; or (b) existing shareholders might sell a portion of their holdings and reduce their stake in the company. The latter does not increase the shares outstanding as no “new” shares are issued. Underwriters are usually involved in the process of placing these existing shares to the public.

Share Placement. The issuance of new shares for sale to the public. The term is used interchangeably with “secondary offering” in many markets.

Share Repurchase/Buyback. Companies buy a portion of their outstanding shares to reduce the number of shares on the market. These repurchased shares could either be retired by the company or retained as treasury stock to be reissued at a later date. S&P DJI does not make any price adjustments for offers at a premium.

Shares Outstanding. This is the total number of shares issued by a company that is currently held by investors. Shares that have been repurchased by the company are not considered outstanding.

Tender Offers. These are offers made by a prospective acquirer to purchase shares of a company, usually at a premium to the market price. Cash or other securities may be offered to the target company's shareholders. Tender offers might be friendly or hostile. A friendly offer occurs when the bidder informs the company's board of directors of its intent; and if the board approves, they recommend the shareholders accept the offer. A hostile offer occurs when the target company's management is either not informed in advance or unwilling to accept the offer, yet the bidder continues to pursue it.

The term "partial tender offer" refers to an invitation for tenders for less than all of the outstanding shares of the target company. This is done by specifying a maximum number of shares that will be accepted.

Tracking Stock. This is a type of common stock that tracks the financial performance of a specific business or operating unit, instead of the company as a whole. Tracking stocks trade as separate securities. A tracking stock typically has limited or no voting rights. Companies with diversified operations might choose to issue tracking stocks in addition to their traditional common stock. Also known as "targeted" stock.

Treasury Stock. These are shares issued by a company that have been reacquired by the issuing company. These are held by the company and can be reissued at any point of time in the future. These shares do not pay dividends and have no voting rights. In general, Treasury stock is not included in the shares outstanding calculations. However, certain regions do include treasury shares.

Appendix B – Methodology Changes

Methodology changes since January 1, 2015, are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Sanctions	09/19/2025	Some sanctions programs are comprehensive in nature and include broad-based trade restrictions, while others selectively target specific individuals and entities. As sanctions can be either comprehensive or selective, S&P DJI reviews sanctions on a case-by-case basis. Depending on the circumstance, entire countries, or specific securities, may be impacted by sanctions. Generally, S&P DJI will consider sanctions using the perspective of a U.S., U.K., and/or European Union (EU) based investor for standard, global indices. Subject to Index Committee determination, specific securities impacted by sanctions may: • have their current shares/IWF/GICS frozen for the duration of the sanctions • be deleted from indices; and/or • become ineligible for addition to indices. In all cases, S&P DJI's specific treatment is announced to clients when new sanctions are imposed or removed with index implications. Subject to S&P DJI's compliance with applicable law, S&P DJI may also elect to publish indices whose objective is to measure the performance of securities from the perspective of certain non U.S./U.K./EU investor groups that may not be impacted by the sanctions described above. Such indices may contain securities subject to sanctions from a U.S./U.K./EU perspective and are therefore ineligible for S&P DJI's global indices. In any such case, the relevant index methodology will explicitly define the treatment. Please note the use and licensing of such indices may be restricted to ensure S&P DJI's compliance with applicable law. Please note that users of S&P DJI's indices are solely responsible for ensuring such users' compliance with all applicable law (including, without limitation, sanctions laws and any other rules, regulations, or prohibitions) in connection with such use (including, without limitation, trading, investment, or other use).	Economic and financial sanctions and embargoes are highly dynamic and may be promulgated at any time. These can include prohibitions or restrictions regarding activity involving embargoed or sanctioned countries, regions, governments, people, and entities. Certain of these programs are comprehensive in nature and include broad-based restrictions, while others selectively target specific individuals and entities. As sanctions can be either comprehensive or selective, S&P DJI reviews sanctions on a case-by-case basis. Generally, S&P DJI considers sanctions using the perspective of a U.S., U.K., and/or European Union (EU) based investor for standard, global indices. Subject to Index Committee determination, specific securities impacted by sanctions may: • have current shares/IWF/GICS frozen for the duration of the sanctions, • be removed from indices, and/or • be made ineligible for addition to indices. Subject to S&P DJI's compliance with applicable law, S&P DJI may also elect to publish indices whose objective is to measure the performance of securities from the perspective of certain non U.S./U.K./EU investor groups that may not be impacted by the sanctions described above (this can include cases where sanctions may more narrowly prohibit the purchase or sale of publicly traded securities by defined investor groups). As a consequence, such indices may contain securities subject to sanctions from a U.S./U.K./EU perspective and are therefore ineligible for S&P DJI's global indices. In any such case, the relevant index methodology explicitly defines the sanctions treatment, if necessary. Please note the use and licensing of such indices may be restricted to ensure S&P DJI's compliance with applicable law. As a matter of practice, regardless of investor perspective, S&P DJI generally does not include securities identified as subject to U.S./U.K./EU blocking or asset freeze measures in indices. Please note that users of S&P DJI's indices are solely responsible for ensuring such users' compliance with all applicable law (including, without limitation, sanctions laws and any other rules, regulations, or prohibitions) in connection with such use (including, without limitation, trading, investment, or other use).

Change	Effective Date (After Close)	Previous	Methodology Updated
			In all cases, S&P DJI's specific treatment is announced to clients where index implications arise.
Market-Specific Accelerated Implementation Rules for Australian Stocks	02/07/2025	For Australian stocks S&P DJI provides two (2) business days' notice from the day the Appendix 2A (formerly Appendix 3B) is filed. If the Appendix 2A is filed at or after the end of the day, accelerated changes are implemented at the earliest on the next trading day.	--
Domicile Policy	11/25/2024	The incorporation and/or registration, operational headquarters location, and primary stock exchange listing are the principal factors determining country of domicile. Other factors considered include the geographic breakdown of revenue and assets, ownership information, location of officers, directors and employees, investor perception, and other factors deemed to be relevant by the Index Committee.	S&P DJI generally determines a company's country of domicile based on the location of the following principal factors: • Incorporation or registration • Operational headquarters • Stock exchange listings If all three factors point toward one country, then that country is generally considered the company's country of domicile. When the country of incorporation/registration is a domicile of convenience, only the location of operational headquarters and the exchange listings are considered. If any of these factors do not align, S&P DJI will generally assign the company to the country of incorporation, provided a broader analysis utilizing the additional factors below does not establish a significant link to another country: • Geographic breakdown of assets and revenues by country, where available • Ownership information (such as composition of, and/or geographic distribution of, its shareholder base) • Additional stock exchange listings • The functional and reporting currency • Location of officers, directors, and employees • Location of annual company meetings • Company history • Investor perception Other factors the index committee deems relevant. For example, relative economic size of countries (based on the latest GDP available) may be considered when a company with most factors pointing to a large country on an absolute basis maintains strong ties with another comparatively smaller market.

Change	Effective Date (After Close)	Previous	Methodology Updated
The indices calculate in Canadian and U.S. dollars.	09/20/2024	All non-mandatory events not covered by the accelerated implementation rule (including but not limited to private placements, acquisition of private companies, and conversion of non-index share lines) will be implemented quarterly coinciding with the third Friday of the third month in each calendar quarter. In addition, events that were not implemented under the accelerated implementation rule but were found to have been eligible, (e.g., due to lack of publicly available information at the time of the event) are implemented as part of a quarterly rebalancing. IWF changes will only be made at the quarterly review if the change represents at least 5% of total current shares outstanding and is related to a single corporate action that did not qualify for the accelerated implementation rule, regardless of whether there is an associated share change. Quarterly share change events resulting from the conversion of derivative securities, acquisitions of private companies, or acquisitions of non-index companies that do not trade on a major exchange are considered to be available to investors unless there is explicit information stating that the new owner is a strategic holder.	All non-mandatory events not covered or implemented via the accelerated implementation rule (including but not limited to private placements, acquisition of private companies, and conversion of non-index share lines) are reviewed quarterly, effective after the close of the third Friday of the third month in each calendar quarter and as per below. Share Updates. At each quarterly review, shares outstanding are updated to the latest available information as of the rebalancing reference date. IWF Updates. At the quarterly review, IWF changes are only made if there is a share change of at least 5% of total current shares outstanding and if the adjusted IWF absolute change is at least 5%, with IWF adjustments limited to the extent necessary to help reflect the corresponding share change. For quarterly share change events, unless there is explicit information stating that the new shares are not available to the market, shares are generally considered to be available to all investors and reflected in the IWF. Events such as conversion of derivative securities, acquisitions of private companies, or acquisitions of non-index companies that do not trade on a major exchange are generally implemented as described above.
Rebalancing Guidelines – Share/IWF Reference Date & Freeze Period	09/20/2024	During the share/IWF freeze period shares and IWFs are not changed, and the accelerated implementation rule is suspended, except for mandatory corporate action events (such as merger activity, stock splits, and rights offerings). The suspension includes all changes that qualify for accelerated implementation and would typically be announced or effective during the share/IWF freeze period. At the end of the freeze period all suspended changes will be announced on the third Friday of the rebalancing month and implemented five business days after the quarterly rebalancing effective date.	During the share/IWF freeze period, shares and IWFs are not changed and the accelerated implementation rule is suspended, except for mandatory corporate action events (such as merger activity, stock splits, and rights offerings). The suspension includes all changes that qualify for accelerated implementation and would typically be announced or effective during the share/IWF freeze period. At the end of the freeze period, all suspended changes will be announced on the third Friday of the rebalancing month and implemented five business days after the quarterly rebalancing effective date. For these non-mandatory events, S&P DJI uses shares and IWF data as of the upcoming rebalancing effective date to calculate the size of the event and in turn assess if the event qualifies the Accelerated Implementation rule.
Real-Time Index Calculations: Index Level Auto-Hold	11/17/2023	Index Level: If a security price breaches a threshold, the system generates an internal alert, but continues calculating and disseminating the index level as an S&P analyst investigates and responds to the alert accordingly. In the event an index calculation breaches a threshold, the system will generate alerts and temporarily hold the last index value prior to the breach. While the index is held, the last held index value will be distributed as defined by the set dissemination frequency. Once the held index value is confirmed or falls back within the acceptable tolerance, index calculations will resume with the latest market data.	Index Level: If an index calculation breaches a threshold the system generates an internal alert but continues calculating and disseminating the index level as an S&P analyst investigates and responds to the alert accordingly.
Mergers & Acquisitions: Event Finalizations & Target Deletion	05/30/2023	An M&A target company is generally dropped from all indices on or around its expected delisting date. In certain instances, the target company may be dropped before its delisting	Event Finalization. S&P DJI's branded indices generally implement ("finalize") M&A driven changes according to the below, with any action taken based on the publicly available information related to the event:

Change	Effective Date (After Close)	Previous	Methodology	Updated
		date once an offer to acquire the security has been deemed unconditional.	- at least one (1) business days' notice for all non-Depository Receipts (DR) U.S. listed stocks. - at least two (2) business days' notice for all non-U.S. listed stocks, U.S. listed DRs, and inter-listed stocks. For mergers involving shareholder elections, S&P DJI generally recognizes the event based on the default election terms. In certain cases, and with the defined advance notice to clients, S&P DJI may decide to recognize an event using alternative election terms. Any share issuance for the acquirer is implemented to coincide with the drop event for the target. To minimize turnover, there is no minimum threshold requirement for implementation of an M&A driven share/IWF change. S&P DJI may, in certain cases, exercise discretion to accumulate and implement de minimis M&A share changes with the quarterly share rebalancing. M&A share/IWF changes for an index company acquiring a privately held company, or a company not part of any S&P DJI-maintained indices, are implemented at the next quarterly rebalancing. Target Deletion. S&P DJI generally removes an M&A target company from all indices on or around the expected delisting, or last trading, date. In certain scenarios a target company may be removed before its delisting date, according to the below: - The M&A event is deemed unconditional, i.e., all required approvals are received and all conditions for the acquisition to complete are met. - For Tender offers: - All conditions are met, and there is an announced settlement date. - The remaining free float is less than 15% (except where pre-event free float is less than 15%) as based on publicly available information, even if the tender offer is still open. Where these conditions are met, the deletion is generally effective prior to the open of the business day following the last day of the tender period, subject to the notice periods specified above. Any stock removed from an index due to the above rule is ineligible for re-inclusion in any S&P DJI branded index for at least 12 months following the stock's removal date, even if the stock continues to trade on an eligible exchange. Deletion Price. Generally, S&P DJI implements deletions using the security's closing price on the deletion date. If the primary exchange suspends or halts an M&A target security prior to S&P DJI's announced effective deletion date, the removal is implemented as follows:	

Change	Effective Date (After Close)	Previous	Methodology Updated
			Cash Consideration Events: S&P DJI removes the security at the market close price or the deal price, whichever is lower. Stock Consideration Events: S&P DJI synthetically derives a price for the suspended security using the deal ratio terms, provided the acquirer is issuing stock as part of the merger. The synthetically derived price is used in index calculations until S&P DJI's deletion date. If any other pricing mechanism is used, the final decision regarding the pricing method is at the discretion of S&P DJI and is announced to clients with sufficient notice.
Mergers & Acquisitions: Target Security Float Change	05/30/2023	--	Target Security Float Change. For events where conditions for the removal of a security are not met, or where the intention is a partial acquisition, S&P DJI may decide to update the IWF of the target security with at least two (2) business days' notice. Such a decision is based on publicly available information in the following circumstances: - The Offer Period is over, and the Acquiring company does not announce an extension or re-opening. The following conditions must be met: - All required approvals have been received and conditions for the offer are met. - Public information is available to calculate the new IWF. - Settlement date of the tendered shares is known. - Size of the change is at least 5% and US\$ 150 million or US\$ 1 billion. - The Offer Period is extended, or an additional offer period is opened/announced, and the following conditions are met: - All required approvals have been received and conditions for the offer are met. - Public information is available to calculate the new IWF. - Settlement date of the tendered shares is known. - Size of the change is at least US\$ 1 billion or IWF changes by at least 15%. If an IWF change does not meet any of the above conditions, the IWF updates at the subsequent quarterly rebalancing, subject to all required information being publicly available. If the stock is suspended, the event is recognized once trading resumes and follows the above process.
Short-Term Suspensions	12/08/2022	If it is known in advance that the stock will be suspended from trading, corporate actions (even if quoted ex by the exchange) are not recognized until trading resumes. However, if prior information is not available for a stock being suspended and if a corporate action has been recognized for that day, the market driven actions will be implemented for the ex-date and the adjusted prices carried until trading resumes. Index committee discretion can be used when determining whether or	Corporate Actions. If it is known in advance that the stock will be suspended from trading, corporate actions (even if quoted ex by the exchange) are not recognized until trading resumes. However, if prior information is not available for a stock being suspended and if a corporate action has been recognized for that day, the market driven actions will be implemented for the ex-date and the adjusted prices carried until trading resumes. Index committee discretion can be used when

Change	Effective Date (After Close)	Previous	Methodology Updated
		when to implement a corporate action for a suspended stock.	determining whether or when to implement a corporate action for a suspended stock. Rebalancing Share/IWF Changes. For stocks suspended for less than 60 consecutive business days as of the suspension review evaluation date, with no information regarding the date when the stock will resume trading or information that stock will resume after the rebalancing effective date, no share or IWF changes will be applied at the rebalancing. If a stock suspends after the suspension review evaluation date, but prior to the rebalancing and with no information regarding the date when the stock will resume trading or information that stock will resume after the rebalancing effective date, any previously announced share or IWF changes will generally be cancelled. Any rebalancing share or IWF changes cancelled as a result of stock suspension will not be reinstated even if the stock resumes trading prior to the rebalancing. All such changes will be reviewed for implementation at the subsequent rebalancing, subject to eligibility. Please refer to the Non-Mandatory Share and Investable Weight Factor (IWF) Updates section for further details. Suspended stocks are generally not added to indices at a rebalancing, even if otherwise eligible. Current index constituents are generally not deleted at a rebalancing solely for the reason of being suspended (unless meeting the criteria for removal under long-term suspension).
Quarterly rebalancing announcement schedule	09/03/2021	Pro-forma files are announced after the market close on the second Friday of March, June, and December. In September, all FMC weighted indices are generally announced after the market close on the first Friday and capped/alternatively weighted indices are generally announced after the market close on the second Friday.	Pro-forma files for float-adjusted market capitalization indices are generally released after the market close on the first Friday, two weeks prior to the rebalancing effective date. Pro-forma files for capped and alternatively weighted indices are generally released after the market close on the second Friday, one week prior to the rebalancing effective date.
Quarterly Shares Outstanding and IWF Reference Dates	08/13/2021	A reference date, after the market close on the Tuesday prior to the second Friday in March, June, September, and December.	A reference date, after the market close five weeks prior to the third Friday in March, June, September, and December, is the cutoff for publicly available information used for quarterly shares outstanding and IWF changes.
Accelerated Implementation of Non-Mandatory Share and Investable Weight Factor (IWF) Updates	06/30/2021	S&P DJI will provide two (2) business days' notice for all non-U.S. listed stocks, and one (1) business days' notice for all U.S. listed stocks. For U.S. listed stocks, accelerated implementation events with a size of at least US\$ 1 billion are announced intraday once the details are confirmed by S&P DJI, in order to provide additional notification.	S&P DJI will provide two (2) business days' notice for all non-U.S. listed stocks, U.S. listed DRs, and interlisted stocks⁸, and one (1) business days' notice for all non-DR U.S. listed stocks. For non-DR U.S. listed stocks, accelerated implementation events with a size of at least US\$ 1 billion are announced intraday once the details are confirmed by S&P DJI, in order to provide additional notification.
Sanctions	02/22/2021	Some sanctions programs are comprehensive in nature, and block the government or include broad-based trade restrictions, while others selectively target specific individuals and entities. Because	Some sanctions programs are comprehensive in nature and include broad-based trade restrictions, while others selectively target specific individuals and entities. As sanctions can be either

⁸ Includes interlisted stocks where the designated listing trades on a non-U.S. exchange. For interlisted stocks where the designated listing trades on a U.S. exchange, S&P DJI will provide one business days' notice.

Change	Effective Date (After Close)	Previous	Methodology Updated
		sanctions can be either comprehensive or selective, S&P DJI reviews sanctions on a case-by-case basis. Depending on the circumstance, countries or specific securities may be impacted by sanctions. Generally, S&P DJI will treat sanctions using the perspective of a U.S. and/or European Union (EU) based investor. Specific securities impacted by sanctions may result in deletion from indices if the impacted security is a current index constituent, blocking the addition of a non-constituent security to an index or freezing the current shares/IWF/GICS of a security for the duration of the sanctions. In all cases, S&P DJI's treatment is announced to clients when new sanctions are imposed or removed with index implications.	comprehensive or selective, S&P DJI reviews sanctions on a case-by-case basis. Depending on the circumstance, entire countries, or specific securities, may be impacted by sanctions. Generally, S&P DJI will consider sanctions using the perspective of a U.S., U.K., and/or European Union (EU) based investor for standard, global indices. Subject to Index Committee determination, specific securities impacted by sanctions may: • Have their current shares/IWF/GICS frozen for the duration of the sanctions • Be deleted from indices; and/or • Become ineligible for addition to indices. In all cases, S&P DJI's specific treatment is announced to clients when new sanctions are imposed or removed with index implications. Subject to S&P DJI's compliance with applicable law, S&P DJI may also elect to publish indices whose objective is to measure the performance of securities from the perspective of certain non U.S./U.K./EU investor groups that may not be impacted by the sanctions described above. Such indices may contain securities subject to sanctions from a U.S./U.K./EU perspective and are therefore ineligible for S&P DJI's global indices. In any such case, the relevant index methodology will explicitly define the treatment. Please note the use and licensing of such indices may be restricted to ensure S&P DJI's compliance with applicable law. Please note that users of S&P DJI's indices are solely responsible for ensuring such users' compliance with all applicable law (including, without limitation, sanctions laws and any other rules, regulations, or prohibitions) in connection with such use (including, without limitation, trading, investment, or other use).
Monthly Dividend Review for Ongoing Eligibility in Dividend Focused Indices	01/19/2021	--	S&P DJI's constituents are reviewed on a monthly basis for ongoing eligibility. Unless stated otherwise in the relevant index methodology, S&P DJI will use one of the following approaches when conducting the monthly review to determine whether an index constituent will remain in a dividend index following an announcement concerning the company's dividend program. Approach A: Generally applied to dividend-themed indices whose main objective is to measure the performance of companies that have maintained or increased dividends every year for a specified number of years. Approach B: Generally applied to dividend-themed indices whose main objective is to measure the performance of dividend-paying companies and whose selection rules and weighting is often yield-focused. Approach C: Generally applied to indices with multiple objectives, one of which is to measure the performance of dividend-paying companies.

Change	Effective Date (After Close)	Previous	Methodology Updated
			At the discretion of S&P DJI, an index constituent may be removed effective prior to the open of the first business day of the following month, if: Approach A: - A scheduled dividend payment is omitted, or - A company announces that it will cease paying dividends for an undetermined period or - A company announces a reduced dividend amount and S&P DJI determines that it will no longer qualify for the index at the subsequent reconstitution as a result. Approach B: - A company announces that it will cease paying dividends for an undetermined period or - A company announces a reduced dividend amount and S&P DJI determines that it will no longer qualify for the index at the subsequent reconstitution as a result. Approach C: - A scheduled dividend payment is omitted or - A company announces that it will cease paying dividends for an undetermined period. The determination of ongoing eligibility and qualifying for the index at the subsequent reconstitution is at the discretion of the Index Committee. Where a company postpones or defers a scheduled dividend payment, but does not cancel it, S&P DJI will generally take no action until the company makes a further announcement, or the index undergoes a rebalancing, whichever occurs sooner. For Approach B, companies that omit a single scheduled dividend payment will have their revised (reduced) total annual dividend amount reviewed for continuing eligibility. In the case of companies that typically pay a single dividend annually, omission may result in a zero dividend being recorded in the reference period for the subsequent rebalancing. The review of ongoing eligibility is conducted based on information publicly announced by the company up to and including the 21st of the month (in February, this date will be the 18th). Any index changes are effective prior to the open of the first business day of the following month and will be announced with five business days' notice.
Treatment of Korean Interim Dividends	12/04/2020	For companies that do not provide estimates but have a historical pattern of paying dividends with a record date at fiscal year-end, the estimate is calculated as the previous year's dividend amount adjusted for any split/bonus issues.	For companies that do not provide estimates but have a historical pattern of paying interim dividends or dividends with a record date at fiscal year-end, the estimate is calculated as the previous year's dividend amount in the

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
			same period adjusted for any split/bonus issues.
Timing of Certain Non-Mandatory Events	03/27/20	Confirmed share changes that are at least 5% of the total shares outstanding are implemented weekly. Total shares outstanding (not float-adjusted shares) are used to determine whether the share change meets this 5% threshold. The 5% rule applies to share changes only. IWF changes are only considered if a share change meets the 5% threshold. Share changes are applied weekly and are announced after the market close on Fridays for implementation after the close of trading the following Friday (i.e., one week later).	Material share/IWF changes resulting from non-mandatory actions follow the accelerated implementation rule with sufficient advance notification, and share/IWF changes deemed non-material are implemented quarterly. During the share/IWF freeze period, shares and IWFs are not changed except for mandatory corporate action events (such as merger activity, stock splits, and rights offerings), and the accelerated implementation rule is suspended. The suspension includes all changes that qualify for accelerated implementation and would typically be announced or effective during the share/IWF freeze period. At the end of the freeze period all suspended changes will be announced on the third Friday of the rebalancing month, and implemented five business days after the quarterly rebalancing effective date.
Treatment of Canadian Dividends	03/15/2019	S&P/TSX Canadian Indices have a minimum 4% of price threshold to recognize a dividend as special; For example, if the dividend is over 4% of the price of the stock, it is deemed to be a return of capital and the price of the underlying security is reduced by the dividend amount prior to the ex-date.	S&P DJI will generally consider the third consecutive instance of a non-ordinary dividend (in terms of timing, not amount) to be ordinary for index purposes as this third consecutive payment will generally be considered to be part of the normal payment pattern established by the company.
Treatment of Korean Dividends	12/21/2018	The majority of dividends in Korea are not announced prior to their ex-date. S&P DJI recognizes these dividends after they have been confirmed by the company	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 with a record date at fiscal year-end, 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. A negative dividend adjustment will be applied if the estimated dividend has not been confirmed by the company six months after the ex-date.
Treatment of Renounceable Rights Offers for Australian Stocks	08/24/2018	Adjust the stock price on the ex-date. Add the rights class to the index with a share count based on the offer ratio at the Theoretical Ex-Rights Price (TERP) minus the Subscription Price. When the rights class converts to fully paid ordinary shares, drop the rights class and increase the shares of the stock at the last traded price.	Aligned with the standard global treatment of a simultaneous price adjustment and share change applying the rights ratio and terms effective on the ex-date of the offer.
Special Dividends for Australian Stocks	08/24/2018	If a company announces that a dividend being paid is a special dividend, it is treated as a special dividend. Where a company does NOT announce it as a special dividend, but the ASX or vendors do, the treatment will still match that announced by the company.	S&P DJI will generally consider the third consecutive instance of a non-ordinary dividend (in terms of timing, not amount) to be ordinary for index purposes as this third consecutive payment will generally be considered to be part of the normal payment pattern established by the company.
Dividend Elimination, Suspension, Reduction, or Omission	07/31/2018	--	If S&P DJI determines that an index constituent has eliminated or suspended its dividend, omitted a payment or reduced its calendar year dividend amount such that it will no longer qualify for the index at the subsequent reconstitution, it will be removed

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
			from the index effective prior to the open of trading on the first business day of the following month.
Weekly share change announcement	04/30/2018	There is no weekly share change announcement on the second Friday of a rebalancing month.	There is no weekly share change announcement on the first and second Fridays of a rebalancing month.
Merger related IWF change	01/19/2018	A merger related IWF change resulting in an IWF of 0.96 or greater is rounded up to 1.00 on the merger effective date.	A merger related IWF change that results in an IWF of 0.96 or greater is rounded up to 1.00 at the next annual IWF review.
Tendered share lines	01/19/2018	S&P DJI did not switch to tendered share lines in some markets when certain conditions were met.	In certain markets, tendered shares may be replaced with a tradable tendered share class on the same stock exchange. S&P DJI will consider replacing the common share line with the tendered share class in indices once a minimum acceptance ratio of 75% has been reached and subject to the announcement of a further acceptance period.
Designated Listing	01/19/2018	--	For companies with multiple share classes of equity stock, S&P DJI determines the share class having both the highest one-year trading liquidity (as defined by Median Daily Value Traded) and largest float adjusted market capitalization as the Designated Listing. All other share classes are referred to as Secondary Listings for index purposes.
Share Updates – S&P/TSX Canadian Indices	12/15/2017	Share updates are made at the first practical date when the relative weight impact is estimated to be at least 0.05% on the S&P/TSX Composite. At the Quarterly Review, there is a complete share update for the index (in March, June, September, and December). This update includes all cumulative changes to shares outstanding, during the quarter, that have affected the capitalization of Index Securities by less than a relative index weight of 0.05%.	Shares outstanding are updated on a weekly basis if the changes are 5% or more of the total share count. Share changes are announced on Fridays for implementation after the close of trading the following Friday. If a change in shares outstanding of at least 5% causes a company's IWF to change by at least 5%, the IWF is updated at the same time as the share change. Changes of less than 5% of the total shares are accumulated and made quarterly on the third Friday of March, June, September, and December.
Bankruptcies – Pricing for U.S. listed securities	07/31/2017	If the security is trading on its primary exchange at the close of the day it is removed, that price is used. If the security is halted on or delisted from its primary exchange, a price of zero is used.	If a U.S. listed stock moves from its primary exchange to the OTC market prior to its index deletion date, OTC prices (including Special Opening Quotations if applicable) are used to price the stock for index purposes from the time of the exchange move until its index delisting date regardless of the reason for the exchange move (including bankruptcies, voluntary delistings and non-compliance issues). If a stock moves to OTC, but does not trade on OTC prior to its index deletion date, the stock is removed at a zero price.
Market Disruption – U.S. exchange has an unexpected closure	03/21/2017	In the event of an unexpected single exchange closure (U.S. Securities): (i) In the event a single U.S. exchange has an unexpected closure, events will not be moved. Corporate actions, including adds and drops to the index and share/IWF updates remain unchanged. The transaction will be implemented using prices determined by the exchanges based on SEC Rule 123C hierarchy.	For U.S. Markets: In the event of an unexpected exchange closure where at least one other exchange is operating normally: (i) If the impacted exchange has an unexpected closure <u>prior to 3:00 PM ET and is not expected to reopen before 3:00 PM ET</u> , events will not be moved. Corporate actions, including adds and drops to the index and share/IWF events remain unchanged. All index changes will be implemented using prices determined by the exchanges based on SEC Rule 123C. (ii) In the event at least one exchange has an unexpected closure after 3:00 PM ET, all adds and drops to an index, and share/IWF changes scheduled to be implemented at the close on that day will be moved to the close of the next trading date. This includes actions involving stocks whose primary exchange is unaffected by the outage. Closing prices

Change	Effective Date (After Close)	Previous	Methodology Updated
			are determined by the exchanges based on SEC Rule 123C.
Market Disruption – Rebalancing: U.S.	03/21/2017	If an exchange is fully or partially closed on the day prior to an index rebalancing effective date, S&P DJI will generally shift corporate actions, including adds, drops, and share/IWF changes.	For U.S. markets: If at least one exchange has an unexpected closure after 3:00 PM ET, all adds and drops to an index, and share/IWF changes scheduled to be implemented at the close on that day will be 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 exchanges based on SEC Rule 123C.
Market Disruption – Rebalancing: Non-U.S.	03/21/2017	If an exchange is fully or partially closed on the day prior to an index rebalancing effective date, S&P DJI will generally shift corporate actions, including adds, drops, and share/IWF changes.	If an exchange is fully closed or has an unexpected early market closure and closing prices are not available on the day prior to an index rebalancing effective date, S&P DJI will generally shift corporate actions, including adds, drops, and share/IWF changes.
Market Disruption – calculation of the Special Open Quotation (SOQ): U.S.	03/21/2017	U.S. Securities. Prices used for the calculation of the Special Open Quotation (SOQ) are based on the official opening prices of the individual constituents of the index as set by their primary exchange. If an opening price is not received for a security, the previous closing price adjusted for corporate actions is used in the calculation of the SOQ. If the exchange is unable to provide official opening prices, the opening price as reported on the “Consolidated Tape” is used. If an opening price is not available on the “Consolidated Tape” for a security, the previous closing price adjusted for corporate actions is used in the calculation of the SOQ.	For U.S. markets: If the exchange is unable to provide official opening prices, the official closing prices will utilize and determined based on SEC Rule 123C as outlined in the <i>Unexpected Exchange Closures</i> chapter.
Market Disruption – calculation of the Special Open Quotation (SOQ): Non-U.S.	03/21/2017	--	For non-U.S. markets: If the exchange is unable to provide official opening prices, the official closing prices are utilized. If the exchange is unable to provide official opening or closing prices, the previous closing price adjusted for corporate actions is used in the calculation of the SOQ.
Treatment of suspended stocks in calculation of the Special Open Quotation (SOQ)	03/21/2017	--	For stocks that are suspended from trading on an exchange but are still in indices, S&P DJI will synthetically derive 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 price of the previous official close price and the cash amount will be used in the calculation of the SOQ.
Removal of spin-off that doesn't trade	03/21/2017	If there is a gap between the ex-date and distribution date (or payable date), or if the spin-off security does not trade regular way on the ex-date, the spin-off security is kept in all indices in which the parent is a constituent until the spin-off security begins trading regular way. At the discretion of the Index Committee, an indicative or estimated price may be used for the spin-off entity in place of a zero price until the spin-off security begins trading.	If there is a gap between the ex-date and distribution date (or payable date), or if the spin-off security does not trade regular way on the ex-date, the spin-off security is kept in all indices in which the parent is a constituent until the spin-off security begins trading regular way. At the discretion of the Index Committee, an indicative or estimated price may be used for the spin-off entity in place of a zero price until the spin-off security begins trading. If the spin-off entity does not trade for 20 consecutive trading days after the ex-date and there is no guidance issued for when trading may begin, S&P DJI may decide to remove the spin-off security at a zero price with advance notice given to clients.

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Intra-day Calculation for U.S. Securities	12/02/2016	Prices used for the calculation of real-time index values are based on those from the primary exchanges.	Prices used for the calculation of real-time index values are based on those from the "Consolidated Tape".
Correction Dividends for ADRs/GDRs	09/16/2016	For Japanese and Korean ADRs/GDRs, if the dividend is not quoted ex by the exchange, the dividend is not generally recognized for index purposes.	Japanese and Korean ADR dividends which are generally not quoted ex by the exchange will be recognized on a future date if the depository bank issues a final dividend notice.
Long-Term Stock suspensions	07/29/2016	Suspended stocks are reviewed for possible deletion after five trading days for Developed Markets, 10 trading days for Emerging Markets, and 20 trading days for Frontier Markets. This review is conducted independently of rebalancing schedules.	Stocks under long-term suspensions are reviewed on a periodic basis. Suspended stocks that exceed a threshold of 60 business days, based on the designated listing exchange trading days, are reviewed for possible index deletion.
Share/IWF freeze	07/29/2016	A "share freeze" is implemented during each quarterly rebalancing. The timing is between 12 business days before and three business days after the quarterly rebalancing effective date.	A share/IWF freeze period is implemented during each quarterly rebalancing. The freeze period begins after the market close on the Tuesday prior to the second Friday of each rebalancing month (i.e., March, June, September, and December) and ends after the market close on the third Friday of the rebalancing month.
Treatment of U.S. transferable rights offerings	07/29/2016	For U.S. transferable rights, S&P DJI uses the when-issued trading price for the rights line to determine the price adjustment amount. The value of the right is determined by using the market value of the right, if available. S&P DJI uses the when-issued price of the rights trading line and subtracts that amount times the ratio from the underlying to get the new price of the underlying. If there is no market value available, the value of the rights as discussed earlier in this document is calculated.	SP DJI will no longer use when issued pricing for U.S. transferable rights offerings.
Spin-off Treatment when the spin-off is an existing publicly traded company	07/29/2016	If the spun-off company is already trading regular way, S&P DJI will not use a zero price treatment. The price adjustment to the parent is calculated as the (price of the spin-off) * (ratio of the spin-off shares to the parent shares).	S&P DJI will add the in-specie distribution to all indices in which the parent is a constituent on the ex-date. The distributed security will remain in the parent's indices until it has completed at least one day of regular way trading and will remain in indices through the distribution date if the distribution date is later than the ex-date. The distribution will be represented by a temporary placeholder security.
Clarify when S&P DJI considers a non-ordinary dividend to be ordinary for index purposes	07/29/2016	"Special dividends" are those dividends that are outside of the normal payment pattern established historically by the corporation.	S&P DJI will generally consider the third consecutive instance of a non-ordinary dividend (in terms of timing, not amount) to be ordinary for index purposes as this third consecutive payment will generally be considered to be part of the normal payment pattern established by the company.
Enhancement to dividend treatment of Japanese and Korean companies	12/31/2015	S&P DJI recognizes Korean dividends on the payable date. For Japanese companies, S&P DJI recognizes estimated dividend amount on the ex- date, with no index adjustment for dividend amount differences between the estimated and the confirmed amounts.	The dividend treatment of Japanese and Korean companies accounts for differences between the dividend amount recognized on the original ex-date and the final amount confirmed by the company. The dividend adjustment is applied to affected indices on a weekly basis without restatement of historical index levels.
Clarification of spin-off policy and treatment in modified market capitalization weighted indices (excluding equal weighted indices)	09/30/2015	The closing price of when-issued trading is used for adding an eligible spun-off company to indices and for the calculation of the price adjustment to the parent company.	Zero price spin-off is the standard index treatment for spin-offs unless an eligible spun-off company is already trading regular way. The spun-off company is added to all the indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date (with no divisor adjustment). For modified market capitalization weighted indices, if the parent or the spun-off entity is removed from indices post spin-off, the standard treatment is to reinvest the weight in the indices unless stated otherwise in the individual index methodology.

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Rules regarding multiple share class lines	09/18/2015	In S&P DJI's U.S. indices, companies that have more than one class of common stock outstanding are represented only once. The stock price is based on one class, usually the most liquid class, and the share count is based on the total shares outstanding of all classes.	There will no longer be consolidated lines in the S&P DJI branded Float Market Cap (FMC) indices. Instead, all multiple share class companies that have listed share class lines will be adjusted for shares and float such that each share class line will only represent that line's shares and float. The decision to include each publicly listed line is evaluated individually. All multiple share class companies that have an unlisted class line will also be adjusted.
Clarification on recurring returns of capital and multiple dividend distributions with different withholding tax requirements	03/31/2015	--	When a return of capital is declared in lieu of an ordinary cash dividend and fits the historical pattern of an ordinary dividend in amount and frequency, it is treated as an ordinary cash dividend. If the different dividends or multiple components of a single dividend are subject to different dividend withholding taxes, the standard withholding tax rate for the country will be used and the gross dividend amount may be adjusted accordingly.

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients by providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history

will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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