

Zug, May 26, 2020

Market Consultation on treatment of stock dividends with unknown ratio but announced cash equivalent

Dear Sir and Madam,

STOXX Limited, a leading provider of innovative, tradable and global index concepts, has decided to conduct a market consultation on the treatment of certain stock dividends.

Specifically, the consultation relates to the case in which the issuer, instead of communicating the ratio of newly issued shares ahead of the stock dividend ex-date, announces a cash equivalent based on which the effective stock dividend ratio is determined, on the basis of prices observed on or after the ex-date and before the pay-date.

The market consultation may or may not lead to changes in the treatment of such stock dividends.

PROCESS AND TIMELINE

STOXX invites all stakeholders and interested third parties to submit responses to consultation@stoxx.com. STOXX intends to publish the results of the market consultation, as well as an announcement about potential changes to the index methodology, before June 5, 2020. The consultation is open to all market participants until June 3, 2020.

MOTIVATION FOR THE MARKET CONSULTATION

The dividend treatment options listed in the STOXX Calculation Guide do not cover the case in which as of the ex-date the stock dividend ratio has not been announced by the issuer but instead the issuer has publicly stated that the effective stock dividend ratio will be determined using traded prices of the stock observed on or after the ex-date and a per-share cash equivalent.

PROPOSED TREATMENTS

1) Treat the above described dividend as a cash dividend:

The dividend is treated as a cash dividend on the ex-date whereby the cash dividend amount applied is the publicly stated per-share cash equivalent.

If on the day of the announcement of the effective stock dividend ratio the value of the shares issued deviates from the previously announced cash equivalent the affected indices are adjusted accordingly.

2) Treat the above described dividend as a stock dividend:

The dividend is treated as a regular stock dividend on the ex-date whereby the stock dividend ratio is calculated based on the cash equivalent and the close price on the day before the ex-date.

If on the day of the announcement of the effective stock dividend ratio the value of the shares issued deviates from the previously announced cash equivalent the affected indices are adjusted accordingly.

AFFECTED INDICES

All STOXX equity indices that hold the affected security on the ex-date of the stock dividend.

QUESTIONS

A. Are you in favor of treatment 1)? YES / NO

B. Are you in favor of treatment 2)? YES / NO

If your answer to both of the above questions is NO, please explain the treatment you prefer.

Elaborate on the rationale of your opinion.