

CRSP Index Restatement Policy and Guidelines

CRSP Index Restatement Policy

This policy addresses the Center for Research in Security Prices (CRSP) process for correcting errors and provides guidelines for when an index will be recalculated and/or re-issued. CRSP makes every effort to maintain its high standards of data quality and strives to be transparent and consistent when addressing errors or inaccuracies in the information disseminated to its clients. Errors or inaccuracies may occur for a variety of reasons, including but not limited to: incorrect, late announced or missed closing prices, dividends or secondary offerings; complex corporate actions; or market distortions.

As a general policy, if an error causes an Index to move by three basis points, CRSP will review and determine if an Index restatement is required. In addition to this general policy, CRSP will use best efforts to follow the Index Restatement Guidelines attached as Appendix A. These guidelines should not be interpreted as mandatory requirements and CRSP reserves the right to address errors in any manner it deems reasonable given the circumstances. The Index Advisory Council will make the final decision on whether an Index restatement should be performed. If the Index Advisory Council is not immediately available, CRSP's Chief Operating Officer (or proxy) and one client representative from the Index Advisory Council (or proxy) will decide if the restatement is required.

Stakeholders will be notified of the restatement through the appropriate communication channels. Furthermore, promptly after CRSP determines that a restatement will be made, CRSP will post an announcement of the pending restatement on the CRSPMI secure website. A second announcement will be posted on the CRSPMI website once the restatement has been completed.

CRSP does not make any representation or warranty of any kind, either express or implied, with respect to the accuracy of the Index. Further, CRSP expressly disclaims any and all implied warranties, including, without limitation, warranties of accuracy, completeness, non-infringement, merchantability, and fitness for a particular purpose. CRSP is not liable for any loss or damage incurred as a result of any errors or inaccuracies, whether arising from negligence or otherwise.

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Appendix A

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EVENT TYPE	DECISION CRITERIA	NOTES	INDEX RECALCULATION	DATA FILE PRODUCT REISSUE
Rights Issue, Capital Repayment	Incorrect or missed amount - Captured on or after ex-date (where correction is in the same month or the impact of the error < 3 bps)	No share adjustment until next ranking	N	N
	Missed amount - Captured on or after ex-date (where correction occurs in different month than the error and the impact of the error > 3 bps)	No share adjustment until next ranking	Y	Y
Bonus Issue, Stock Split, Consolidation	Captured on ex date	Push corporate action to T+1	N	N
	Captured after ex date	If not self-correcting or does cross month-end or daily error exceeds 3 bps	Y	Y
Voluntary Elections (Secondary Offerings, Partial Tenders, Exchange Offers)	Captured on ex date	Online adjustment is applied	N	Y
	Captured after ex date	No share adjustment until next ranking	N	N
Dividend	Incorrect or missed dividend amount - Captured on or after ex-date (where correction is in the same month or the impact of the error < 3 bps)	Compensating next day adjustment is applied	N	N
	Missed dividend - Captured on or after ex-date (where correction occurs in different month than the error and the impact of the error > 3 bps)	Recalculation	Y	Y
Index Constituent Change	Incorrect or ineligible company added to the index	1) If incorrectly placed during maintenance day and discovered before final ICL release for the day, correct as practicable 2) If identified and confirmed in a Pro Forma Index during first 5 days of Pro Forma period, correct Pro Forma Index as soon as practicable 3) All other cases will be corrected at the next ranking	N	N
	New addition added with incorrect weight		N	N
	Company added to the wrong index/sector		N	N
Incorrect Close Price	Cap based index with largest price discrepancy * - maintenance day	Only reissue if primary ** index error > 50 bps	Y	Y
	Cap based index with largest price discrepancy * - month end	Only reissue if primary ** index error > 3 bps	Y	Y
Incorrect Currency	Dividend	Only reissue if primary ** index error > 50 bps	Y	Y
	Price	Only reissue if primary ** index error > 50 bps	Y	Y
	WM Rates	Only reissue if primary ** index error > 50 bps	Y	Y
Index Calculation Issue	Index did not calculate on any given day (not a market holiday)	Recalculation	Y	Y

NOTE: Any reference to an error is measured against the total return of the index with the biggest impact.

(*) Errors occurring in the last two business days will be reviewed and recalculated if the impact is greater than the threshold. Errors dating prior to two business days will not be recalculated unless an error is material and impacts the replicability / tracking of the index. In these circumstances, CRSP reserves the right to determine the best course of action.

(**) For primary indexes an index performance error greater than defined threshold will necessitate an index recalculation. Primary indexes include Mega, Mid, Small, and Micro.