



Methodology Guide for NYSE Indexes

- > NYSE World Leaders IndexSM (Symbol: NYL.ID)
- > NYSE U.S. 100 IndexSM (Symbol: NY.ID)
- > NYSE International 100 IndexSM (Symbol: NYI.ID)
- > NYSE TMT Index[®] (Symbol: NYY.ID)

NYSEINDEXES.COM
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1. Introduction

New York Stock Exchange (NYSE) Indexes track the performance of NYSE-listed companies in key market sectors and regions. The indexes are maintained by Dow Jones according to a rules-based methodology developed by the NYSE in consultation with Dow Jones.

NYSE Indexes are capitalization-weighted, adjusted for free-float shares and calculated on a price and total return basis. They are published every business day, and real-time updates are disseminated to financial data vendors whenever the New York Stock Exchange is open. The component weight for the stocks are reviewed quarterly based on market capitalization and free-float data. NYSE Indexes keep pace with IPOs, mergers and other corporate developments that drive the market. All index-component companies meet the substantial listing requirements of the world's largest and most liquid market.

2. Index Descriptions

2.1. Market Sector and Industry Group Indexes

NYSE Indexes utilize the Dow Jones Global Industry Classification Standard which categorizes stocks into 10 economic sectors, 18 market sectors, 51 industry groups and 89 sub-groups. These segments are designed to capture the risk characteristics of a specific market by grouping together constituents that respond in similar ways to economic, political and environmental factors. Indexes are maintained at each of the four levels. The NYSE selection universe is comprised of all NYSE-listed common stocks, American Depositary Receipts (ADRs), and Global Depositary Receipts (DRs). The full Dow Jones Global Industry Classification Standard is shown in Table 1. The Dow Jones Industry classification system is proprietary to Dow Jones & Company, Inc. and has been licensed for use by the NYSE. The full Dow Jones Global Industry Classification Standard Table is available below.

Dow Jones Global Classification Standard effective December 24, 2001			
ECONOMIC SECTOR	MARKET SECTOR	INDUSTRY GROUP	SUB-GROUP
Basic Materials [BSC]	Basic Resources [BAS]	Forest Products & Paper [FRP]	Forest Products [FOR] Paper Products [PAP]
		Mining & Metals [MET]	Aluminum [ALU] Mining [MNG] Nonferrous Metals [ONF] Precious Metals [PCS] Steel [STL]
	Chemicals [CHM]	Chemicals [CHM]	Chemicals Commodity [CHC] Chemicals Specialty [CHS]
Consumer Cyclical [CYC]	Automobiles [ATO]	Auto Parts & Tires [ATX]	Auto Parts [AUP] Tires [TIR]
		Automobile Manufacturers [AUT]	Automobile Manufacturers [AUT]
	Cyclical Goods & Services [CGS]	Airlines [AIR]	Airlines [AIR]
		Home Construction & Furnishings [HMF]	Furnishings & Appliances [FTR] Home Construction [HOM]
		Leisure Goods & Services [ENT]	Casinos [CNO] Consumer Electronics [CSE] Lodging [LOD] Recreational Products & Services [REQ]
		Textiles & Apparel [TEX]	Restaurants [RES] Toys [TMF] Clothing & Fabrics [CLO] Footwear [FOT]
	Media [MDI]	Advertising [ADV] Broadcasting [BRD] Entertainment [MOV] Publishing [PUB]	Advertising [ADV] Broadcasting [BRD] Entertainment [MOV] Publishing [PUB]
	Retail [RTS]	Retail [RTS]	Retailers Apparel [SAP] Retailers Broadline [RTB] Retailers Drug-Based [RTD] Retailers Specialty [OTS]

to be continued on the next page...

Dow Jones Global Classification Standard effective December 24, 2001			
ECONOMIC SECTOR	MARKET SECTOR	INDUSTRY GROUP	SUB-GROUP
Consumer Noncyclical [NCY]	Food & Beverage [FOB]	Beverage [BVG]	Distillers & Brewers [DST] Soft Drinks [SFT]
		Food [FOA]	Agriculture [PLN] Food Products [FOD]
	Noncyclical Goods & Services [NCG]	Consumer Services [CSV] Cosmetics [COS] Food Retailers & Wholesalers [FDR] Household Products [HOU]	Consumer Services [CSV] Cosmetics [COS] Food Retailers & Wholesalers [FDR] Household Products Durable [HPD] Household Products Nondurable [HPN]
Energy [ENE]	Energy [ENE]	Tobacco [TOB]	Tobacco [TOB]
		Energy [ENE]	Coal [COA] Oil Companies Major [OIL] Oil Companies Secondary [OIS] Oil Drilling Equipment & Services [OIE] Pipelines [PIP]
Financial [FIN]	Banks [BNK]	Banks [BNK]	Banks Ex-S&L [BKS] Savings & Loan [SAL]
	Financial Services [FVS]	Diversified Financial [FIS] Real Estate [REA] Securities Brokers [SCR]	Diversified Financial [FIS] Real Estate [REA] Securities Brokers [SCR]
	Insurance [INS]	Insurance [INS]	Insurance Full-Line [INF] Insurance Life [INL] Insurance Property & Casualty [INP]
Healthcare [HCR]	Healthcare [HCR]	Biotechnology [BTC] Healthcare Providers [HEA] Medical Products [MTC]	Biotechnology [BTC] Healthcare Providers [HEA] Advanced Medical Devices [MDV] Medical Supplies [MDS]
		Pharmaceuticals [DRG]	Pharmaceuticals [DRG]
Industrial [IDU]	Construction [CNS]	Building Materials [BLD] Heavy Construction [CON]	Building Materials [BLD] Heavy Construction [CON]
	Industrial Goods & Services [IGS]	Advanced Industrial Equipment [ITC] Aerospace [ARO] Containers & Packaging [CTR] Electric Components & Equipment [ELQ] General Industrial Services [SVC]	Advanced Industrial Equipment [ITC] Aerospace [ARO] Containers & Packaging [CTR] Electric Components & Equipment [ELQ] Industrial Services [ICS] Pollution Control [POL]
		Industrial Diversified [IDD] Industrial Equipment [IEQ]	Industrial Diversified [IDD] Factory Equipment [FAC] Heavy Machinery [MAC]
		Industrial Transportation [TRA]	Air Freight [AIF] Land Transportation Equipment [LDT] Marine Transport [MAR] Railroads [RAI] Shipbuilding [SHP] Transportation Services [TRS] Trucking [TRK]
Technology [TEC]	Technology [TEC]	Communications Technology [CMT] Semiconductors [SEM] Software [SOF] Technology Hardware & Equipment [THQ]	Communications Technology [CMT] Semiconductors [SEM] Software [SOF] Computers [CPR] Office Equipment [OFF]
		Technology Services [TSV]	Diversified Technology Services [TSX] Internet Services [ISV]
Telecommunications [TLS]	Telecommunications [TLS]	Fixed-Line Communications [FTS] Wireless Communications [CTS]	Fixed-Line Communications [FTS] Wireless Communications [CTS]
Utilities [UTI]	Utilities [UTI]	Electric Utilities [ELC]	Electric Utilities [ELC]
		Gas Utilities [GAS]	Gas Utilities [GAS]
		Water Utilities [WAT]	Water Utilities [WAT]

3.1. Dividend Treatment

Normal dividend payments are not taken into account in the price index. They are reinvested and accounted for in the total return index. However, special dividends from non-operating income require index divisor adjustments to prevent the distributions from distorting the price index.

3.2. Base Date and Base Value

- NYSE Indexes have a base date of December 31, 1995, when the indexes' values were set equal to 3000 (December 31, 1995 = 3000).

3.3. Calculation and Dissemination

Like the Consumer Price Index, NYSE uses a Laspeyres index which measures price changes against a fixed base period quantity weight. A detailed explanation of Laspeyres's formula is provided in Section 8.2.

NYSE Indexes are calculated whenever the New York Stock Exchange is open using the latest traded price on the NYSE for each company in an index. Following the determination of the previous day's closing index values, the NYSE Index values for the current day are updated and disseminated following the opening of NYSE trading on a real-time basis beginning when the first traded price of any of the Indexes' components are received.

If trading in a stock is suspended while the NYSE is open, the last traded price for that stock on the NYSE is used for all subsequent index computations until trading resumes. If trading is suspended before the opening, the stock's adjusted closing price from the previous day is used to calculate the index. Until a particular stock opens, its adjusted closing price from the previous day is used in the index computation. These prices are computed on both a price and total-return basis in U.S. dollars. The price index is updated on a real-time basis, while the total-return index is calculated and disseminated on an end-of-day basis.

3.4. Index Divisor Adjustments

The market capitalization of NYSE Indexes are affected by numerous events other than daily security price changes. At the company level, market caps are affected by share changes caused by corporate actions such as takeovers, secondary offerings, repurchase programs, rights offerings and spinoffs. Changes also result from company additions and deletions to the index.

In order to insulate the members of NYSE Indexes from the effects of index component changes and corporate actions, Dow Jones divides the affected index's market cap by an adjustment factor called the index divisor after the close of trading on each day when there is a change in either index membership or shares outstanding for an index component. (This procedure, which links each successive weighted basket of securities in the index with the preceding basket, is called "chaining," and the result is technically referred to as a Laspeyres chain index.) The initial index divisor was, of course, exactly 1/3000 of the index's base market capitalization. That divisor, which was used to calculate changes in the index on the first trading day of January 1996, gave a starting value of 3000.

The procedure for updating the index divisor is straightforward. During the trading day, component company price quotes are computed by dividing the index's current market capitalization (the number of

a company's float shares in the index times the latest traded price, summed across all the index components) by that day's divisor. If there are no corporate actions or component changes, the divisor remains unchanged for the next trading day. If there is an event resulting in a capitalization change, the index's new adjusted base market cap is calculated after the close using the adjusted prices and adjusted share figures. Then a new divisor is calculated for use beginning with the opening on the next trading day.

The new divisor links the closing index value to the new adjusted base market cap. Conceptually, the new divisor could be calculated by solving the following simple equation:

$$(\text{today's adjusted base market cap} / \text{tomorrow's new divisor}) = \text{today's closing index value}$$

However, because the index values are rounded to two decimal places, this straightforward approach would quickly introduce rounding errors into the divisor adjustment process. Therefore Dow Jones Indexes uses the following formula, which solves for the new divisor through the ratio of the new adjusted base market cap to the current day's closing market cap:

$$\text{Next day's new divisor} = \text{current day's divisor} \times (\text{adjusted base market cap for next day} / \text{current day's market cap})$$

Dividing the new divisor calculated with the above formula into today's adjusted base market cap will produce today's closing index value. Detail on the divisor calculation and the directional impact of specific corporate actions on the divisor is provided in Section 8.4.

3.5. Weighting

NYSE Indexes are weighted by float-adjusted market capitalization, rather than full market capitalization, to reflect the actual number of shares available to investors. Float adjustments are made using the Dow Jones Global Indexes (DJGI) methodology. Detail on the DJGI float-adjustment rules is provided in Section 7.

4. Index Construction

4.1. Defining the Investable Universe

The NYSE universe consists of all NYSE-listed common stocks, ADRs and DRs. To produce the investable securities universe, the equities included in market sectors are filtered through screens for share class and liquidity. The screens, which are designed to be reviewed every quarter, are employed to prevent less-easily traded securities from being included in the index. Companies that survive the screens then have their shares outstanding adjusted for float (see Section 7). The float adjustment is made to more accurately represent the investable size of the security in the market.

4.1.1. Share Class

Index component candidates must be common shares or other securities that have the characteristics of common equities. All classes of common shares, both fully and partially paid, are eligible for consideration. However, only the most liquid class of each company's stock may be included in the index. Fixed-dividend shares and securities such as convertible notes, warrants, rights, mutual funds, unit investment trusts, closed-end fund shares, shares in limited partnerships and tracking stocks are not eligible. Temporary issues arising from corporate actions, such as "when-issued" shares, are considered on a case-by-case basis when necessary to maintain continuity in a company's index membership.

4.1.2. Liquidity

Companies that have less than 100,000 shares in average global daily trading volume for the preceding three months are ineligible for inclusion in the index. For ADRs and DRs volume consists of NYSE volume, plus their local volume times the ADR ratio.

4.2. Initial Component Selection

The following steps are followed to create NYSE Indexes.

- a) The entire index universe is ranked in descending order by unadjusted market capitalization.
- b) Remove companies that fail the liquidity screen (see Section 4.1.2.).
- c) If a component has multiple share classes, include the most liquid issue for that company.
- d) Choose the top companies.
 - For the NYSE US 100 Index, NYSE International 100 Index, and NYSE TMT Index, choose the top 100 companies.
 - For the NYSE World Leaders, combine components for the NYSE US 100 Index and NYSE International 100 Index.
- e) Weight the index by float-adjusted market capitalization.

Rules Specific to the NYSE TMT Index

- a) Cap market sector weights for Technology, Media and Telecommunications at no more than 40%, so that one sector does not dominate the index.
- b) Cap sub-industry weights at no more than 20%, so that one sub-group does not dominate the index.

5. Quarterly Rebalancing

5.1. Subsequent Selections

The following steps are followed to reselect index components during the quarterly review process.

- a) The entire index universe is ranked in descending order by unadjusted market capitalization.
- b) Prior components with size ranks of 80 or higher remain in the index.
- c) Prior components ranked below 120 in size are removed from the index.
- d) Beginning with the highest-ranked component, any noncomponent stock ranked 80 or higher on the selection list is added to the index. The new stock replaces the lowest-ranked stock remaining in the index, if the index would have more than 100 components when it is added.
- e) If vacancies remain, they will be filled by adding the largest remaining noncomponent stocks in descending-market-cap order until the number of components reaches 100.
- f) The index is weighted by float-adjusted market capitalization.
- g) Spinoffs are eligible for inclusion in the index immediately following the ex-date of their distribution, if the company spun off is classified as a member of an eligible market sector. In this case, the index could contain more than 100 companies until the next quarterly index review is completed.
- h) Initial public offerings (IPOs) and new listings are eligible to be included at the quarterly rebalancing following their sale or listing, providing that their market caps and trading volumes have met the threshold for inclusion for at least five trading days. However, if an IPO company or new listing would be in the top 25% of the Index's market capitalization, it may be included between reviews, provided that a minimum notification period of two business days is observed.

Rules specific to the NYSE TMT Index

- a) Cap sector weights for Technology, Media and Telecommunications at no more than 40%, so that one sector does not dominate the index.
- b) Cap sub-industry weights at no more than 20%, so that one sub-group does not dominate the index.

Rules specific to the NYSE World Leaders Index

- a) Track the components and performance of the NYSE US 100 Index and NYSE International 100 Index combined.
- b) Component weights are based on float-adjusted market-caps for the combined index.

5.2. Shares Updates

Shares outstanding totals for component stocks are updated during the quarterly review. However, if the number of outstanding shares for an index component changes by more than 10% due to a corporate action, such as those listed in Section 6, the shares total will be adjusted immediately after the close of trading on the date of the event. Whenever possible, Dow Jones Indexes will announce the change at least two business days prior to its implementation. Changes in shares outstanding due to stock dividends, splits and other corporate actions also are adjusted immediately after the close of trading on the day they become effective.

5.3. Timing

Quarterly reviews are implemented during March, June, September and December. Both component changes and share changes become effective at the opening on the first Monday after the third Friday of the review month.

Watchlists detailing quarterly reviews are created at the end of the month prior to the date changes are effective and are published on www.nyseindexes.com.

Changes to the index are implemented after the official closing values have been established. All adjustments are made before the start of the next trading day. Constituent changes that result from the periodic review will be announced at least two business days prior to the implementation date.

6. Ongoing Maintenance

In addition to the scheduled quarterly review, NYSE Indexes are reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as delistings, bankruptcies, mergers or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. Whenever possible, the changes in the index's components will be announced at least two business days prior to their implementation date.

An index selection list will be published monthly. It will contain the largest companies in the indexes universe, ranked in descending market-cap order. Replacements between quarterly reviews for index components will be made from the most recent update of this list on an as-needed basis. The list will be available on nyseindexes.com

6.1. Changes of Eligible Securities

In the event that a component no longer meets the eligibility requirements described in 4.1, it will be removed from the index.

6.2. Change in Market Listing

A company will be removed from a NYSE Index when it relinquishes its listing on the NYSE.

6.3. Changes of Industry Classification

Companies are assigned to industry groups based on the revenues received in their lines of business. Mergers, takeovers and spinoffs, as well as organic growth in a company's business segments, can require industry group transfers. If a company's primary revenues shift from one line of business to another, the company may be assigned to a new economic sector, market sector, industry group and / or sub-group. If Dow Jones Indexes transfers a company out of an eligible market sector, it will be removed from the index immediately upon completion of that transfer. A company transferred from one eligible sector to another eligible sector will remain in the index, regardless of the 40% market sector or 20% sub-group concentration rules (for the NYSE TMT Index), until its status is reviewed at the next quarterly rebalancing.

6.4. Splits & Spinoffs

If an index constituent splits or spins off a portion of its business to form one or more new companies, all new companies will be immediately included in the NYSE Index, if they are classified as members of eligible market sectors.

6.5. Mergers

If an index member merges with another company, either component or noncomponent, its index membership will be assumed by the new company immediately after the close of trading on the effective date of the merger, if the new company also would qualify for the NYSE Index. If both companies are index components, the top-ranked noncomponent from the most recent selection list will fill the vacancy created by the merger.

6.6. Takeovers

If an index component is taken over by another component company, the former will be removed from the index immediately upon completion of the takeover. The top-ranked noncomponent from the most recent selection list will fill the vacancy created by the transaction. If an index component is taken over by a noncomponent company, it will be replaced by the acquiring company immediately, if the acquiring company meets all the eligibility criteria described in Section 4. If it does not meet the criteria, it will be replaced by the top-ranked noncomponent from the most recent selection list.

6.7. Delistings and Bankruptcies

If an index constituent is delisted by the NYSE, or is in bankruptcy proceedings, it will be removed from the index.

7. Float Adjustment

NYSE Indexes are constructed and weighted using free-float market capitalization. Float-adjusted rather than full market capitalization is used to reflect the number of shares actually available to investors.

7.1. Qualifications

A company's outstanding shares are adjusted by block ownership to reflect only truly tradable and investable shares. The following four types of block ownership are considered during float adjustment:

- Cross ownership – shares that are owned by other companies (including banks and life insurance companies);
- Government ownership – shares that are owned by governments (central or municipal) or their agencies;
- Private ownership – shares that are owned by individuals, families or charitable trusts and foundations;
- Restricted shares – shares that are not allowed to be traded during a certain time period.

However, a company's outstanding shares are not adjusted by institutional investors' holdings, which include, but are not limited to, the following categories:

- Custodian nominees;
- Trustee companies;
- Mutual funds (open-end and closed-end funds);
- Investment companies.

7.2. Threshold

A company's outstanding shares are adjusted if, and only if an entity in any of the four qualified categories listed above owns 5% or more of the company. Its shares will not be adjusted if the block ownership is less than 5%.

7.3. Foreign Restriction

The float adjustment rules also apply to foreign companies that have cross ownership of 5% or more. If a government has a foreign ownership restriction of 5% or more, the lesser of free-float shares or the portion that is available for foreign investment will be used for index calculation.

8. Calculation and Adjustments

8.1. Input Data

- Real-time stock prices are provided by NYSE. The latest trading price is used for index calculation.
- The number of shares is determined separately for each class of stock. This information is obtained from Interactive Data Corporation (IDC) and from the company itself.
- Corporate actions are sourced from Valorinform and IDC. The company itself may be used as an additional source.
- Data filters, audits and quality assurance tools are used to monitor and maintain the accuracy of the input data. Static data are verified against secondary sources and active data are monitored in real time.
- When adjusting closing prices of index components to reflect the effects of completed corporate actions, prices of securities involved in the transaction trading for regular-way settlement will be used whenever available. If a company being spun or split off from a surviving company is trading only on a "when-issued" basis, then the "when-issued" price of the new company will be used to determine the adjusted closing price of the surviving or parent company.

8.2. Index Formula

The Composite Index is calculated using a Laspeyres formula. This formula is used for the calculation of the return index and the price index. The only difference is that the divisor D_t is different for the two indexes. The index is computed as follows:

$$\text{Index}_t = \frac{\sum_{i=1}^n (P_{it} \times q_{it})}{C_t \times \sum_{i=1}^n (P_{i0} \times q_{i0})} \times \text{Base Index Value} = \frac{M_t}{B_t} \times \text{Base Index Value}$$

The above mentioned formula can be simplified as: $\text{Index}_t = \frac{M_t}{D_t}$
where:

D_t = divisor at time (t)

n = the number of stocks in the index

P_{i0} = the closing price of stock i at the base date (December 31, 1995)

q_{i0} = the number of shares of company i at the base date (December 31, 1995)

P_{it} = the price of stock i at time (t)

q_{it} = the number of shares of company i at time (t)

C_t = the adjustment factor for the base date market capitalization

t = the time the index is computed

M_t = market capitalization of the index at time (t)

B_t = adjusted base date market capitalization of the index at time (t)

Dividend payments are not taken into account in the price index, whereas dividend payments are reinvested in the index sample of the total return index. Any dividend larger than 10% of the equity price is considered a special cash-dividend, which requires a divisor adjustment. The adjustment protects the index from the effects of changes in index composition and the impact of corporate actions.

8.3. Divisor Adjustments

Corporate actions affect the share capital of component stocks and therefore trigger increases or decreases in the index. To avoid distortion, the divisor of the index is adjusted accordingly.

Changes in the index's market capitalization due to changes in the composition (additions, deletions or replacements), weighting (following quarterly reviews or changes of more than 10% in a single component's share number) or corporate actions (mergers, spinoffs, rights offerings, repurchase of shares, public offerings, return of capital, or special cash or stock distributions of other stocks) result in a divisor change to maintain the index's continuity. By adjusting the divisor, the index value retains its continuity before and after the event.

8.3.1. Formulae for Divisor Adjustment

The following formulae will be used for divisor adjustments. (Note: No divisor adjustments are necessary for stock splits, since market capitalization does not change and the share number and share price are adjusted prior to the opening of trading on the split's ex-date.)

$$D_{t+1} = D_t \times \frac{\sum (p_{it} \times q_{it}) \pm \Delta MC_{t+1}}{\sum (p_{it} \times q_{it})}$$

where:

D_t = divisor at time (t)

D_{t+1} = divisor at time (t+1)

p_{it} = stock price of company i at time (t)

q_{it} = number of shares of company i at time (t)

ΔMC_{t+1} = add new components' market capitalization and adjusted market capitalization (calculated with adjusted closing prices and shares effective at time t+1 and/or minus market capitalization of companies to be deleted (calculated with closing prices and shares at time t)

Note: If the current trading price of an issue is unavailable, the previous trading session's closing price is used. However, if the issue is affected by any corporate action that requires an adjustment, then the adjusted price is used.

8.3.2. Adjustments for Corporate Actions

An index divisor may decrease (▼) or increase (▲) or keep constant (■) when corporate actions occur for a component stock. Assuming shareholders receive "B" new shares for every "A" share held for the following corporate actions:

- | | |
|--|------------------|
| <p>a) Cash dividend (applied for return index only)
adjusted price = closing price - dividend announced by the company</p> | <p>Divisor ▼</p> |
| <p>b) Special cash dividend (applied for price and return index)
adjusted price = closing price - dividend announced by the company</p> | <p>Divisor ▼</p> |

- c) **Split and reverse split** Divisor ■
 adjusted price = closing price * A / B
 new number of shares = old number of shares * B / A
- d) **Rights offering** Divisor ▲
 adjusted price = (closing price * A + subscription price * B) / (A + B)
 new number of shares = old number of shares * (A + B) / A
- e) **Stock dividend** Divisor ■
 adjusted price = closing price * A / (A + B)
 new number of shares = old number of shares * (A + B) / A
- f) **Stock dividend of a different company security** Divisor ▼
 adjusted price = (closing price * A - price of the different company security * B) / A
- g) **Return of capital and share consolidation** Divisor ▼
 adjusted price = (closing price - dividend announced by company) * A / B
 new number of shares = old number of shares * B / A
- h) **Repurchase shares-self tender** Divisor ▼
 adjusted price = [(price before tender * old number of shares) - (tender price * number of tendered shares)] / (old number of shares - number of tendered shares)
 new number of shares = old number of shares - number of tendered shares
- i) **Spinoff** Divisor ▼
 adjusted price = (closing price * A - price of spun-off shares * B) / A
- j) **Combination stock distribution (dividend or split) and rights offering**
 Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held:
 • If rights are applicable after stock distribution (one action applicable to other) Divisor ▲
 adjusted price = [closing price * A + subscription price * C * (1 + B / A)] / [(A + B) * (1 + C / A)]
 new number of shares = old number of shares * [(A + B) * (1 + C / A)] / A
 • If stock distribution is applicable after rights (one action applicable to other) Divisor ▲
 adjusted price = [closing price * A + subscription price * C] / [(A + C) * (1 + B / A)]
 new number of shares = old number of shares * [(A + C) * (1 + B / A)]
- k) **Stock distribution and rights (neither action is applicable to the other)** Divisor ▲
 adjusted price = [closing price * A + subscription price * C] / [A + B + C]
 new number of shares = old number of shares * [A + B + C]

8.4. Computational Precision

Index values are rounded to two decimal places and divisors are rounded to integers. Any values derived by the index calculation engine from a corporate action used for the divisor adjustments and index computations are rounded to seven decimal places.

9. Data Correction Policy

To maintain a high standard of data integrity, a series of procedures have been implemented to ensure accuracy, timeliness and consistency. Input prices are monitored using a variety of computerized range-check warning systems for both ticker-plant and real-time index systems. Redundant sources of market data and corporate action information are also used. Various verification and audit tasks are performed to ensure the quality of the real-time data feeds and related market data.

While every effort is taken to ensure the accuracy of the information used for the index calculation, there is no guarantee that the indexes will be error-proof. An index error may occur due to incorrect or missing data, including trading prices, exchange rates, shares outstanding and corporate actions, due to operational errors or other reasons.

9.1. Intraday Corrections

Reasonable efforts are employed to prevent erroneous data from affecting the indexes. Corrections will be made for bad prices and incorrect or missing corporate actions as soon as possible after detection.

Since the indexes are calculated on a real-time basis, an incorrect index value tick will not be fixed retroactively. Incorrect daily high/low index values will be corrected as soon as practicable.

9.2. Index-Related Data and Divisor Corrections

Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within five days of its occurrence, will always be fixed on the day it is discovered to prevent an error from being carried forward.

If a divisor error is discovered more than five days after occurrence, the adjustment will depend upon how significant the error is, how far back the error occurred and the feasibility of performing the adjustment.

10. Appendix

Review Schedule

Shares Updates

Frequency: Quarterly
Effective date: The Monday after the 3rd Friday of that month
Advance notice: At least two business days

Quarterly Review

Frequency: Quarterly
Effective date: The Monday after the 3rd Friday of that month
Advance notice: At least two weeks

News Notification

Frequency: Weekly
Effective date: As announced
Advance notice: At least two business days *
Includes events such as delistings, mergers, bankruptcies and other extraordinary events.

* Based on available news.