**APPROVED**

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Moscow Exchange

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Yu.O. Denisov

**Dividend Indices Methodology of Moscow Exchange**

**Moscow, 2023**

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# Background

* 1. Terms and Definitions
     1. For the purposes of this Dividend Indices Methodology of Moscow Exchange (hereinafter, the “Methodology”), the following terms and definitions apply:
        + - Stocks means stocks of Russian Issuers admitted to trading on the Exchange, as well as stocks and depositary receipts representing stocks of foreign issuers having their business activity primarily in the Russian Federation. Stocks do not include stocks issued by joint stock investment funds.
          - Index Constituents means a list of securities used to calculate the Dividend Index.
          - Reference Index means a price index calculated under the Methodology of the Moscow Exchange Equity Indices Calculation, which parameters are used to calculate the relevant Dividend Index.
          - Exchange, Moscow Exchange means Public Joint-Stock Company Moscow Exchange MICEX-RTS.
          - Dividend Index means an indicator computed by the Exchange using the data on dividend on securities included in the list of Index Constituents. This indicator represents the dividend changes expressed in Reference Index points.
          - Index Constituents Parameters means parameters of Stocks used in Index calculation (free-float, number of stocks, Weighting Coefficients).
          - Issuer means an issuer of ordinary, preferred or represented stocks.
     2. The terms not specifically defined herein are used in the meanings ascribed to them in the internal documents of the Exchange, laws and regulatory documents of the Bank of Russia.
  2. General Provisions
     1. The list of Indices calculated by the Exchange in accordance with this Methodology is given in Appendix 1 hereto.
     2. Trademarks on the Indices are given in Appendix 2 hereto.
     3. The Exchange shall approve the Methodology with all amendments and supplements thereto and they shall come into effect on the date determined by the Exchange.
     4. The Exchange discloses information on changes made, and specifically in the from of new version on the Methodology, no later than three working days before the effective date.
     5. This Methodology is adopted by the Exchange and takes effect on a day set by the Exchange. The Exchange updates the approaches set out in this Methodology at least once a year.
     6. The text of the Methodology as adopted is released at least three working days before taking effect.

# Dividend Indices Calculation

* 1. General Method for Dividend Indices Calculation
     1. The Dividend Indices are calculated based on Index Constituents and parameters of Reference Indices (Appendix 1) based on dividends on stocks in the relevant Index.
     2. Dividends are included in the calculation of the Dividend Indices on the day on which the persons entitled to receive dividends are determined by law (hereinafter, the “Record Date”). If the Record Date is not a trading day, dividends shall be taken into account on the trading day preceding the Record Date.
     3. If the information on the Stock Issuer's decisions on dividend payment is received by the Exchange after the date when dividends should have been counted in accordance with paragraph 2.1.2, then on the day the Exchange receives the said information the Dividend Indices are recalculated as of the date when dividends should have been counted, but not later than 6 months from that day.
     4. Sources of dividend data are authorised information agencies and Issuers of securities.
     5. The following Dividend Indices are calculated depending on dividend income taxation:
        + - with gross dividends, i.e. dividend income taxes are not considered;
          - with net dividends, i.e. dividend income taxes are considered. The Net Dividend Indices are calculated based on income tax rates applicable to Russian organisations.

For the purposes of Net Dividend Indices, the rates applicable at the time of calculation of the Dividend Indices under the Russian Tax Code shall be used. As of the date of this Methodology approval, the applicable rate for Russian organisations is 13%.

* + 1. The Dividend Indices are expressed in points accurate to two decimals.
  1. Gross Dividend Indices Calculation
     1. Dividends to be considered in calculation of the Gross Dividend Indices are determined as follows:

where:

TDn – total dividends on stocks from the Index Constituents of the relevant Dividend Index, as of the day n;

N – number of Stocks in the relevant Dividend Index;

Divin – amount of a dividend on the i-th Stock, RUB;

Qin – the total number of the i-th Stocks of one category (type) of one Issuer which are Constituents of the relevant Dividend Index on day n;

FFin – the free float factor of the i-th Constituent Stock of the relevant Dividend Index on day n;

Win – the weighting factor used to calculate the relevant Dividend Index on day n;

Kn – equals 1 for the Dividend Indices denominated in RUB or the exchange rate or equal to the indicative exchange rate at the moment of the relevant Dividend Index calculation on day n for Dividend Indices denominated in other currencies.

* + 1. The value of the Gross Dividend Index is calculated using the formula below:

where:

Dn – the Divisor of the relevant Reference Index as of the n-th moment.

* 1. Net Dividend Indices Calculation
     1. Dividends to be considered in calculation of the Net Dividend Indices are determined as follows:

where:

TDnetn – net total dividends on the day n;

TDn – gross dividends;

TAX – the tax rate on dividend income, %.

* + 1. The value of the Net Dividend Index is calculated using the formula below:

where:

Dn – the Divisor of the relevant Reference Dividend Index as of the n-th moment.

* 1. Divisors
     1. The values of the Divisors of the respective Reference Indices are used for calculating the Dividend Indices.

# Index Construction and Review

* 1. Index Construction Principles
     1. Constituents for Dividend Indices are similar to Constituents for Reference Indices.
     2. Dividend Index Constituents include names of Stock Issuers and securities category/type (for stocks), names of the Represented Stock Issuers (for DRs).

* 1. Indices Reviews
     1. Stocks shall be included in or removed from the Index Constituents when the Index Constituents for Reference Indices are reviewed.
     2. Announcements on scheduled reviews of Index Constituents are posted no later than two (2) weeks prior to the effective date of the Exchange's resolution approving the new Index Constituents.
     3. Announcements on extraordinary reviews of Indices are posted no later than on the day preceding the day the reviewed Indices become effective.

# Dividend Indices Calculation and Disclosure Rules

* 1. Calculation Schedule
     1. The Dividend Indices are calculated once a day at 18:30 Moscow time. These only values of the Indices for the day are both the current values and the closing values before the next calculation of the Indices on the next trading day. The Exchange may change the frequency for the Dividend Idiocies calculation, but within the time limits set by the regulatory acts of the Bank of Russia.
     2. The Exchange may change the Dividend Index calculation frequency, unless otherwise is provided for in the regulatory documents of the Bank of Russia. Information on Exchange’s resolutions adopted pursuant to this paragraph is made available to trading members at least five (5) working days before the effective date of the relevant changes, unless the Exchange sets sets a different time period in the relevant announcement.
  2. Dividend Indices Calculation Control
     1. Where a technical failure occurs while the Dividend Indices are being calculating, or on-Exchange trades in securities, which has resulted in corruption of data used to calculate Dividend Indices, recalculation of the previous values is possible, but no later than six (6) months from the date of events provided for in this paragraph. Such recalculation is carried out within the shortest possible time from the moment the technical failure has been detected. Information on the Dividend Indices as recalculated is published on the Exchange’s website.
     2. In the event of circumstances which can have a negative effect on the adequacy of the Dividend Indices reflecting the actual state of the Russian financial market, the Exchange may take any actions to ensure adequacy of the Dividend Indices, e.g. remove Stocks from Index Constituents, set values of parameters used to calculate indicators provided for herein etc.

* 1. Information Disclosure
     1. Information disclosure stipulated in this Methodology and regulatory acts of the Bank of Russia is performed on the Exchange’s website.
     2. Where the Exchange changes the metrics used to calculate the Dividend Indices that are based on a subjective (expert) opinion, the Exchange discloses the circumstances and the reasons for such change on its website no later than one day after the metrics were changed.
     3. Values of Dividend Indices are announced every trading day no later than one (1) hour after the close of the main trading session.
     4. This Methodology, index values for the last year are available on the official website of the Exchange to any person concerned.
     5. The Information to be disclosed under this Methodology may also be disseminated in other ways, specifically through information agencies distributing data about on-Exchange trading in Securities.

# Appendix 1

**to the Dividend Indices Calculation Methodology**

**MOEX Dividend Indices**

| **Index code** | **Index name** | **Index name (in English)** | **Reference Index code** | **Reference Index name** | **Currency** | **First Calculation Date** | **Initial value** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| IMOEXDIV | Индекс дивидендов МосБиржи «брутто» | MOEX Russia Dividend Index | IMOEX | Индекс МосБиржи | RUB | 19 September 2023 | none |
| IMOEXDIVN | Индекс дивидендов МосБиржи «нетто» (по налоговым ставкам российских организаций) | MOEX Russia Net Dividend (Resident) Index | IMOEX | Индекс МосБиржи | RUB | 19 September 2023 | none |
| RTSIDIV | Индекс дивидендов РТС «брутто» | RTS Dividend Index | RTSI | Индекс РТС | USD | 19 September 2023 | none |
| RTSIDIVN | Индекс дивидендов РТС «нетто» (по налоговым ставкам российских организаций) | RTS Net Dividend (Resident) Index | RTSI | Индекс РТС | USD | 19 September 2023 | none |

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# Appendix 2

**to the Dividend Indices Calculation Methodology**

**Trademarks**

| **Index code** | **Trademark** | **Trademark certificate** |
| --- | --- | --- |
| **IMOEX** | Индекс МосБиржи | 630519 |
| MOEX Russia Index | 643075 |
| **RTSI** | Индекс РТС | 322604 |
| RTS Index | 326584 |