

FTSE 100 Dividend Index – RDSA Withholding Methodology

This methodology is to be read in conjunction with the FTSE UK Index Series Ground Rules which are available at:

http://www.ftse.com/Indices/UK_Indices/Index_Rules/index.jsp

Review Methodology

The index will represent the cumulative value of ordinary declared cash dividends announced and paid by the individual constituents of the underlying FTSE 100 Index, calculated in terms of index points. No adjustment for withholding taxes will be made with the exception of dividends paid by Royal Dutch Shell A shares from which 15% withholding tax will be deducted in accordance with the Luxembourg Treaty Rate, as explained in the FTSE Technical Notice 'Royal Dutch Shell PLC Dividend Treatment in FTSE Indices' issued on the 17th May 2011.

FTSE will rebase the index to 0 at the start of the first trading day following the 3rd Friday in December each year.

Ex-Dividend Adjustment

The ex-dividend (xd) adjustment represents the value of dividends declared by constituent companies on the xd date expressed in index points. The xd adjustment year to date is the calculation on a cumulative basis for the period between and including the first trading day following the 3rd Friday in December to mid-day on the 3rd Friday in December of the following year. Xd adjustments are based on declared dividends. The xd adjustment is calculated as follows:

$$\frac{\text{Market Value of Dividends}}{\text{Latest Index Divisor}}$$

If a company declares a dividend in a currency other than Sterling, the published Sterling equivalent will be used, if available prior to the xd-date (for clarification, where no sterling equivalent is available prior to the xd-date then FTSE do not wait for the company to publish the sterling rate). If there is no Sterling equivalent, the dividend will be converted to Sterling using the WM/Reuters 4PM rate the day before the stock goes xd.

If A plc and B plc each declared a dividend payment with an xd date of today, the following calculation would occur:

<u>Company</u>	<u>Dividend</u> (p)	<u>Shares</u> (m)	<u>Market</u> <u>Value</u> (£m)	<u>Free Float</u> <u>Factor</u>	<u>xd</u> <u>adjustment</u> (points)
A plc	12.56	61,443	7,717.2	1.00	1.97
B plc	14.00	22,579	3,161.0	1.00	0.81
Total xd adjustment for Index					2.78
Index divisor = 3,918.36					

The method for calculating the xd adjustment uses the divisor as at the close of business on the preceding day after implementing any capitalisation changes. Where a company has more than one line of shares included in the indices, the xd adjustment is calculated separately for each line.