MSCI

PRESS RELEASE

MSCI to Broaden the Consultation on the Treatment of Non-Voting Shares in Equity Benchmarks

New York – November 2, 2017 – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today that it will broaden the consultation on the treatment of shares with no voting rights within the MSCI Equity Indexes, to include a discussion on the treatment of all types of unequal voting structures. In particular, the consultation will focus on the theoretical and practical issues of the application of a "one share, one vote" principle to the investment opportunity set of international institutional investors. MSCI will release a discussion paper which will serve as the basis of the broader consultation with market participants. This decision follows a consultation with international institutional investors on the treatment of non-voting shares in the MSCI Equity Indexes.

The consultation was launched June 12, 2017 on a proposal to exclude non-voting shares from the MSCI Global Investable Market Indexes (GIMI) and MSCI US Equity Indexes in cases where the company level voting power is less than 25%. The majority of market participants that MSCI consulted with supported the exclusion of non-voting shares. In particular, many international institutional investors highlighted that they now consider the "one share, one vote" principle part of their definition of common equity for publicly listed companies, and not a specific governance consideration. At the same time, a minority of participants were strongly against the exclusion of non-voting shares from equity benchmarks and expressed concerns that this would result in equity benchmarks that less clearly represent the overall opportunity set. These participants often argued that it should be the role of regulators or stock exchanges rather than index providers, such as MSCI, to address the issue of unequal voting structures, including non-voting shares.

MSCI views the topic of unequal voting structures as critical to international institutional investors and considers that additional and broader public debate is necessary prior to making any changes to the methodology of the MSCI Indexes. Hence, as noted, MSCI will be releasing a discussion paper which will cover, among other topics, an analysis of the direct impact and other potential ramifications of the application of the "one share, one vote" principle to the investment opportunity set of international institutional investors. MSCI intends to engage with market participants globally following the release of this discussion paper.

In the meantime, MSCI will temporarily treat any securities of companies exhibiting unequal voting structures as ineligible for addition to the MSCI ACWI Investable Market Index (IMI) and MSCI US Investable Market 2500 Index. Effective immediately and until further notice, this treatment will apply to the potential addition of securities during regular Index Reviews as well as early inclusion of initial public offerings (IPOs). This treatment does not affect any current index constituents. A document with more details on this temporary treatment is available at https://www.msci.com/documents/1296102/5603800/TemporaryTreatment.

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About MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest money managers, according to the most recent P&I ranking.

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