



FTSE/JSE Africa Index Series Ground Rule Change

25 September 2014

Following the meeting of the FTSE/JSE Advisory Committee on 3 September 2014, and in order to align with other FTSE Partnership indices, FTSE/JSE announces a change to the "Fast Entry" and "Suspension of Dealing" rules as set out in the notice below. The associated rule changes will take immediate effect.

8.3 New Issues

Addition to Current Rule

8.3.1 If, in the view of the FTSE/JSE Advisory Committee, a new issue is so large (i.e. its full market capitalisation amounts to 1.0% or more of the full capitalisation of the FTSE/JSE All-Share Index, before the application of individual constituent investability weightings) that the effectiveness of the index as a market indicator would be significantly and adversely affected by its omission, the FTSE/JSE Advisory Committee will normally decide to include the new issue as a constituent of the FTSE/JSE Africa Index Series that it qualifies for after the close of business on the first day of official trading. In all cases, advance notification confirming the timing of the inclusion of the new constituent will be given accordingly. The security, which is the lowest ranking constituent of the index, will be selected for removal and related indices adjusted in accordance with Rule 7.1. The fast entry rule is not applicable to the FTSE/JSE Specialist Property Indices and also not to any share that is classified as foreign, for index purposes.

8.4 Suspension of Dealing

Existing rules:

8.4.1 Where a suspension of a constituent of the FTSE/JSE Top 40 Index lasts beyond noon on the second trading day, the Secretary to the FTSE/JSE Advisory Committee will convene a meeting of the FTSE/JSE Advisory Committee (to be held, if possible, after market hours on the second day or by teleconference) to consider whether the constituent should be removed. When a stock has been suspended for five consecutive trading days (and the Committee has not exercised an earlier discretion to remove it), it will normally be deleted from the Index on the sixth trading day. When a stock is removed following suspension of its quotation, the stock will be removed at its suspension price unless otherwise decided by the FTSE/JSE Advisory Committee.

8.4.2 In the event that a constituent of a FTSE/JSE Africa Index other than the FTSE/JSE Top 40 Index is suspended, the constituent may remain in the FTSE/JSE Africa Index, at the price at which it is suspended, for up to 20 business days. During this time FTSE and the JSE may delete the constituent immediately at zero value in cases it is expected that the constituent will not commence trading. In the case of a FTSE/JSE Africa Index that

has a constant number of constituents, replacement of constituents will be handled according to Rule 8.1. This change will be effected after the close of the index calculation and prior to the start of the index calculation on the following day. Removing a constituent at zero indicates that the stock is believed to be valueless.

8.4.3 When a suspension of a constituent lasts beyond noon on the twentieth business day (and the option to remove the constituent has not been exercised), the constituent will normally be deleted from the index on the twenty-first trading day at zero value. Where suspension is for a reason not to the detriment of the constituent and its suspension is expected to be short term, it may be retained at its suspension price. In the case of a FTSE/JSE Africa Index that has a constant number of constituents, replacement of constituents will be handled according to Rule 8.1.

New rule:

8.4.1 In the event that a constituent of a FTSE/JSE Africa Index, other than the FTSE/JSE Top 40 Index, is suspended, the constituent may remain in the FTSE/JSE Africa Index, at the price at which it is suspended, for up to 20 business days, whilst a suspended constituent of the FTSE/JSE Top 40 Index may remain in the Index for up to five business days. During this time FTSE/JSE may delete the constituent immediately at zero value in cases it is expected that the constituent will not recommence trading.

- If the constituent is declared bankrupt, placed under curatorship, business rescue or placed in provisional liquidation, the last traded price will be adjusted down to zero value and the constituent will be removed from the index.
- If the constituent is temporarily suspended, but expected to recommence trading pending a restructure or corporate event, it may remain in the index at its last traded price until trading recommences post event.
- If there is no accompanying news when a constituent is suspended, FTSE/JSE will normally allow it to remain in the index for up to 20 business days (5 business days in the Top 40) at its last price before determining whether to delete it or allow it to remain in the index.

8.5 Relisting of Suspended Constituents

Existing rule:

8.5.1 If a company relists then it will be eligible for inclusion in the FTSE/JSE Africa Index Series at the next quarterly review providing it meets the eligibility criteria as defined in Section 6.

New rules:

8.5.1 If a constituent recommences trading within 3 months of being suspended, it will be re-added to the index at the same value (normally zero) at which it was deleted. It will then be determined whether it may remain in the index at its new value.

8.5.2 If a company relists after a continuous period of suspension lasting more than 3 months, the company will be treated as a new issue for the purposes of index eligibility.

An updated version of the FTSE/JSE Africa Index Series Ground Rules is now available on

the FTSE website.

For further information or general enquiries please contact us at info@ftse.com or indices@jse.co.za or call:

Client Services in UK:	Tel: +44 (0) 20 7866 1810
Client Services in Europe, Middle East & Africa:	Tel: +44 (0) 20 7866 1810
Client Services in US:	Tel: +1 888 747 FTSE (3873) or +1 212 314 1139
Client Services in Asia Pacific:	Tel: +852 2164 3333 or +81 3 3581 2811
JSE Limited:	Tel: +27 11 520 7137

Alternatively please visit our website at www.ftse.com or www.ftsejse.co.za

Terms of Use | Copyright © FTSE