

FTSE/JSE Africa Index Series - Ground Rule Clarifications

23 August 2018

FTSE Russell would like to inform clients of the following clarifications to the FTSE JSE Africa Index Series Ground Rules which are effective immediately.

Section 4

4.2 Secondary Lines

4.2.1 Where there are multiple lines of equity capital in a company, all are included and priced separately, provided that they pass index eligibility screens in their own right. **To be considered for FTSE/JSE All Share inclusion each individual instrument has to pass the free float, liquidity and size hurdles. Size refers to each individual instrument meeting the auto addition buffer of the FTSE/JSE All Share Index. Individual instruments will be deleted from the FTSE/JSE All Share Index if its size falls below the auto deletion buffer of the index.** The aggregate of the multiple lines are used for ranking by company market cap.

- All partly-paid classes of equity are priced on a fully-paid basis if the calls are fixed and are payable at known future dates. Those where future calls are uncertain in either respect are priced on a partly-paid basis.

4.2.2 For the purposes of the FTSE/JSE Africa Index Series, companies with an approved dual listed structure are treated as secondary lines of a single entity.

Section 6: Changes to Constituent Companies

6.4 New Issues

6.4.5 Variable and best effort IPOs will not be considered for fast entry inclusion since FTSE/JSE would be: 1) unable to confirm if the minimum free float requirement has been met; and 2) unable to assign an accurate free float for the purposes of the index calculation. Direct listing IPOs will be eligible for consideration for fast entry inclusion if there is confirmation, in advance, of the number of shares that will be made available at the time of listing (e.g. specific holders have publicly disclosed a commitment to sell a number of shares). If there is no disclosure in advance, the company will not be considered as a potential fast entry addition.

6.4.6 Variable and best effort IPOs and those direct listing IPOs (which do not qualify as a fast entrant) will be considered for index inclusion at the next review if, by the review cut-off date, a public disclosure* is available confirming either the actual number of shares sold during the offering or the post IPO shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the number of shares sold during the IPO, or the post IPO shareholder structure, remains unknown on the review

cut-off date, the evaluation of the company will be deferred to a subsequent review.

***A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.**

An updated copy of the FTSE JSE Africa Index Series Ground Rules (v5.8) is now available on the FTSE Russell website: www.ftserussell.com

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