



FTSE/JSE Africa Index Series Free Float Restrictions – Update

16 January 2017

FTSE/JSE indexes are free-float weighted so that they include only the shares that are available to public investors. Shares where the holders are restricted from selling, or where the holders are considered unlikely to sell, because they are acting for strategic or control purposes, are removed from the indexes.

FTSE/JSE is proposing two updates to the current free float definitions as follows:

- Clarification as to the restrictions to be applied to investors, investment companies and investment funds. FTSE/JSE proposes an update to the language to state that shares where the holder has successfully placed a current member to the board will be considered restricted, and to the language used to determine whether a holding should be deemed strategic.
- The removal of the 3% buffers which apply to Rule 6.3.1. This is in order to apply a consistent approach to all companies.

For example, we may restrict a former director with a holding of 8% in Company A, because three years previously he held 10.2%. However, in Company B we are not restricting a former director with a holding of 9%, because the holding has never breached 10%.

The new definitions can be found at:

http://www.ftse.com/products/downloads/Free_Float_Restrictions_new.pdf

It is proposed that these changes will become effective at the June 2017 index review.

A revised copy of the FTSE/JSE Africa Index Series Ground Rules will be published in June 2017.

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