Ground Rules for the Management of the FTSE/JSE All Africa Index Series

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Version 1.3

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1. Introduction

1.1 This paper sets out the Ground Rules for the management of the FTSE/JSE All Africa Index Series. Copies of the Ground Rules are available from FTSE, the JSE Limited (see Appendix C) and on the websites www.ftse.com and www.ftsejse.co.za.

1.2 The FTSE/JSE All Africa Index Series is designed to represent the performance of African companies listed on stock exchanges in African countries which qualify for inclusion ("Qualifying Countries") as constituent countries of the FTSE/JSE All Africa Index Series and hence to provide investors with a transparent and replicable way in which to measure the performance of the constituent companies.

1.3 The list of Qualifying Countries whose exchanges are eligible for inclusion in the FTSE/JSE All Africa Index Series is shown in Appendix B.

1.4 There are two indices under the FTSE/JSE All Africa Index Series.

1.4.1 FTSE/JSE All Africa 40 Index

This index comprises the largest 40 companies in the eligible countries by full market capitalisation that meet the eligibility criteria set out in these Ground Rules.

1.4.2 FTSE/JSE All Africa ex South Africa 30 Index

This index comprises the largest 30 companies in the eligible countries excluding South Africa by full market capitalisation that meet the eligibility criteria set out in these Ground Rules.

1.5 Price Indices will be calculated in real time every 15 seconds in US Dollars and South African Rand.

1.6 Total Return Indices are published at the end of each working day. The Total Return Indices are based on ex dividend adjustments.

2. Status of Indices

2.1 The FTSE/JSE All Africa Index Series are calculated in US Dollars and South African Rand on a real time basis and may exist in the following states:

2.1.1 Firm

The indices are being calculated during the Official Index Hours (see Appendix A) on actual trades reported to FTSE by the stock exchanges on which the relevant constituent companies are listed and during trading hours of those stock exchanges. No message will be displayed against the index value.

The Official Closing Price for the FTSE/JSE All Africa Index Series will be the last index value calculated at the end of the firm period using a constituent’s closing price as published by the exchange on which it is listed.

2.1.2 Closed

The indices have ceased all calculations for the day. The message 'CLOSE' will be displayed against the index value calculated by FTSE.

2.1.3 Held

During Official Market Hours, an index has exceeded pre-set operating parameters and the calculation has been suspended pending resolution of the problem. The message 'HELD' will be displayed against the last index value calculated by FTSE.

2.1.4 Indicative

If there is a system problem or situation in any of the stock exchanges on which a constituent is listed, and that is judged to affect the quality of the constituent prices at any time when an index is being calculated, the index will be declared indicative (e.g. normally where a 'fast market' exists in the equity market). The message 'IND' will be displayed against the index value calculated by FTSE.

2.1.5 Part

If the index is being calculated during the Official Index Hours, but there are less than 75% of the constituents by capitalisation available with firm prices, then the index will be displayed with the message 'PART' to indicate that only a proportion of the companies prices are included. With the exception of the message 'PART', the index will continue to be calculated and displayed as if it were firm.

2.2 The Official Index Hours are set out in Appendix A. Variations to the Official Index Hours will be published by FTSE/JSE as appropriate.

2.3 In addition to USD and ZAR, Euro, UK Sterling and Japanese Yen index values will be calculated on an end-of-day basis.

3. Management of the Indices

3.1 FTSE/JSE Advisory Committee

3.1.1 The FTSE/JSE All Africa Index Series will fall under the auspices of the existing FTSE/JSE Advisory Committee whose mandate has been extended to encompass the FTSE/JSE All Africa Index Series.

3.1.2 Committee Responsibilities

The purpose of the Committee is to consider and advise on matters relating to and proposed amendments to the Ground Rules governing the management of the FTSE/JSE All Africa Index Series and to ensure that best practice is used in the construction and ongoing management of the Indices.

In particular the Committee will:

- ensure that global standards are applied in the Ground Rules;
- advise on how to reconstruct or replace the existing index methodology;
- oversee the ongoing management of the indices, corporate actions and changes to Ground Rules; and
- advise on the construction and methodology of new indices.

3.1.3 Committee Membership

The JSE appoints the Chairman, Deputy Chairman and members of the FTSE/JSE Advisory Committee. The Chairman, or in his absence Deputy Chairman, will chair meetings of the Committee and will represent that Committee outside meetings.

No member of the Advisory Committee is on the Advisory Committee to represent that member's employer but rather is there because of that person's specific expertise and to represent the interests of the industry generally.

3.1.4 Committee Secretary

A Secretary to the FTSE/JSE Advisory Committee is appointed by the JSE to support the work of the Committee.

3.1.5 Appeals Against Decisions of the Committees

A constituent or prospective constituent company (or advisor acting on behalf of the company) may appeal against the decisions of the FTSE/JSE Advisory Committee on two grounds:

- That the relevant Committee acted outside of the Ground Rules for the Management of the FTSE/JSE All Africa Index Series; or

- That the relevant Committee when reaching its decision failed to take into consideration a substantial and material fact. A substantial and material fact is defined as a fact, which would have influenced the decision of the Committee if it had been considered.

A request for an appeal must be made in writing to the Secretary of the FTSE/JSE Advisory Committee, within a reasonable time period. Appeals will be heard by a committee appointed by FTSE and the JSE. Members of the FTSE/JSE Advisory Committee may not serve on the Appeal Committee.

3.2 FTSE/JSE Responsibilities

3.2.1 FTSE is responsible for the operation of the FTSE/JSE All Africa Index Series. FTSE will calculate all the indices in the FTSE/JSE All Africa Index Series real-time and will maintain records of the market capitalisation of all constituents and reserve companies. Following consultation with the JSE, FTSE will make changes to the constituents and their weightings in accordance with the Ground Rules. FTSE will monitor and liaise with JSE on all changes to index and constituent data. FTSE will carry out the quarterly review of the FTSE/JSE All Africa Index Series and liaise with the JSE on implementing the resulting constituent changes as required by the Ground Rules.

3.2.2 Changes to constituent weightings will be made in accordance with the Ground Rules.

3.2.3 FTSE is also responsible for monitoring the performance of the FTSE/JSE All Africa Index Series throughout the day and will determine whether the status of each index should be ‘firm’, ‘closed’, ‘held’, ‘indicative’ or ‘part’. FTSE will inform the JSE and the Secretary to the FTSE/JSE Advisory Committee of all occasions when an index is not firm in the Official Index Period and will inform the FTSE/JSE Advisory Committee of the reasons for all such occasions at the next regular meeting.

4. Management of the Ground Rules

4.1 Amendments and Exceptions

4.1.1 In the event that the FTSE/JSE Advisory Committee or any of those responsible for the operation and administration of the FTSE/JSE All Africa Index Series consider that an exception should be made to any of the Ground Rules, the issue must be brought to the attention of the Chairman or Deputy Chairman of the FTSE/JSE Advisory Committee, who will normally put the matter to the full FTSE/JSE Advisory Committee for a decision. If, however, the matter is urgent, the Chairman and Deputy Chairman are collectively empowered to authorise an exception on behalf of the FTSE/JSE Advisory Committee but must immediately notify, and subsequently refer the matter to, a meeting of the FTSE/JSE Advisory Committee.

4.1.2 Where an exception is granted to the Ground Rules under Rule 4.1.1, it shall not be deemed to create a precedent for future decisions of the FTSE/JSE Advisory Committee.

4.1.3 Changes to the Ground Rules can only be made by the FTSE/JSE Advisory Committee.

4.1.4 Material changes to the Ground Rules are announced after FTSE/JSE Advisory Committee's meeting at which they are agreed, but will not come into effect until after they have been confirmed at the following meeting, in order to allow for comments from index users and the market in general.

5. Index Construction

5.1 Eligible Companies

5.1.1 Companies are only eligible for inclusion in the FTSE/JSE All Africa Index Series if they are listed on the main board of a stock exchange in a Qualifying Country.

5.1.2 All classes of ordinary shares in issue, excluding inward foreign listings, are eligible for inclusion in the FTSE/JSE All Africa Index Series, subject to conforming to all other rules of eligibility, free float and liquidity.

5.1.3 In respect of South African listed companies, only those which form part of the FTSE/JSE Top 40 Index will be eligible for inclusion. For information of the FTSE/JSE Top 40 Index, please refer to the FTSE or JSE websites.

5.1.4 A company listed on a stock exchange in an African country which is not a Qualifying Country, but which has a secondary listing on a stock exchange in a Qualifying Country, will be eligible for inclusion in the FTSE/JSE All Africa Index Series by virtue of such secondary listing.

5.1.5 Convertible preference shares and loan stocks are excluded until converted.

5.1.6 Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) will be eligible for inclusion. However, those investment funds, which have been assessed by the FTSE Industry Classification Benchmark Committee as being in sectors, coded 8990 is excluded. Companies classified as Pyramid companies will also not be eligible.

5.1.7 Exchange Traded Funds (ETFs) and funds whose prices are a direct derivation of underlying holdings (e.g. Unit Trusts, Mutual Funds) are not eligible for inclusion.

5.2 Free Float

The entire quoted equity capital of a constituent company is included in the calculation of its market capitalisation, subject to free float restrictions.

5.2.1 Free float restrictions include:

- Shares directly owned by State, Regional, Municipal and Local governments (excluding shares held by independently managed pension schemes for governments).
- Shares held by Sovereign Wealth Funds where each holding is 10% or greater. If the holding subsequently decreases below 10%, the shares will remain restricted until the holding falls below 7%.
- Shares held by directors, senior executives and managers of the company, and by their family and direct relations, and by companies that they control.
- Shares held within employee share plans.
- Shares held by public companies or by non-listed subsidiaries of public companies.
- Shares held by founders, promoters, former directors, founding venture capital and private equity firms, private companies and individuals (including employees) where the holding is 10% or greater. If the holding subsequently decreases below 10%, the shares will remain restricted until the holding falls below 7%.
- All shares where the holder is subject to a lock-in clause (for the duration of that clause).
- Shares held for publicly announced strategic reasons, including shares held by several holders acting in concert.

5.2.2 For clarity, holdings not considered as restricted free float include:

- Portfolio holdings (such as pension and insurance funds)
- Nominee holdings (unless they represent restricted free float as defined by Rule 5.2.1)
- Holdings by investment companies
- ETFs

5.2.3 Free Float Bands

Free float restrictions are calculated using available published information. The initial weighting of a constituent in the index will be applied in the following bands. If the free float is:

• less than or equal to 15%	=	see Rule 5.2.4
• greater than 15% but less than or equal to 20%	=	20%
• greater than 20% but less than or equal to 30%	=	30%
• greater than 30% but less than or equal to 40%	=	40%
• greater than 40% but less than or equal to 50%	=	50%
• greater than 50% but less than or equal to 75%	=	75%
• greater than 75%	=	100%

5.2.4 Band 5% to 15%

A company that has a free float greater than 5% but less than or equal to 15% will be eligible for the index providing the full market capitalisation of the company is greater than 2.5USD billion if it is in the FTSE Emerging market or greater than 1.25USD billion if it is in the FTSE Frontier market. The actual free float will be rounded up to the next highest whole number.

5.2.5 Free float review

Underlying data for the calculation of free float is collected on an ongoing basis, and the detail free float percentage as maintained by FTSE/JSE is updated accordingly.

Following the application of an initial free float restriction, a constituent's free float will only be changed if its actual free float moves to more than 5 percentage points above the minimum or 5 percentage points below the maximum of an adjacent new band. This 5 percentage points threshold does not apply if the change is greater than one band; therefore a movement of 10 percentage points for the bands between 20% and 50% and 25 percentage points for the bands between 50% and 100% will not be subject to the 5 percentage point threshold. The 15% limit in Rule 5.2.4 will also not be subject to the 5 percentage point threshold.

A constituent's free float will also be reviewed and adjusted if necessary upon identification of information which necessitates a change in free float weighting or following a corporate event. If the corporate event includes a corporate action which affects the index, any change in free float will be implemented at the same time as the corporate action. If there is no corporate action, the change in free float will be applied as soon as practicable after the corporate event.

5.2.6 Foreign ownership limits

Foreign ownership limits, if any, will be applied after calculating the actual free float restriction, but before applying the bands detailed in Rule 5.2.3. If the foreign ownership limit is more restrictive than the free float restriction, the precise foreign ownership limit is applied. If the foreign ownership limit is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to the bands in Rule 5.2.3.

5.3 Liquidity

Companies must be sufficiently liquid to be traded. The following criteria are used to ensure that illiquid securities are excluded:

5.3.1 Liquidity

Companies which do not turnover at least 0.5% of their shares in issue, after the application of any free float restrictions, per month in at least ten of the twelve months prior to an annual review in December by the FTSE/JSE Advisory Committee will not be eligible for inclusion in the indices for the next twelve months. The free floated shares in issue for each month (November of the previous year to the October before the review) will be as determined on the last business day of each month.

An existing constituent which does not turnover at least 0.4% of its shares in issue, after the application of any free float restrictions, per month in at least eight of the twelve months prior to the annual review will be removed after close of the index calculation on the next trading day following the third Friday in December.

New issues, which do not qualify as early entrants to the FTSE/JSE All Africa Index Series will become eligible for inclusion at the next quarterly review of new constituents providing they have, since the commencement of official non-conditional trading, a minimum trading record of at least 20 trading days prior to the date of the review and turnover of a minimum of 0.5% of their shares in issue, after the application of any free float restrictions, per month in each month.

Any period when a share is suspended will be excluded from the above calculations.

In assessing liquidity, data on trading volume will be obtained from the country's exchange.

In exceptional market conditions, if trading volumes are very low, the FTSE/JSE Advisory Committee may reduce the percentage figure stated in this rule in order to avoid a large number of constituents being removed from the FTSE/JSE All Africa Index Series. This discretion may not be applied to individual securities. If the FTSE/JSE Advisory Committee intends to exercise this discretion, it must make a public statement to that effect at least two weeks prior to its quarterly review.

5.4 Index Qualification Criteria

5.4.1 FTSE/JSE All Africa 40 Index

The FTSE/JSE All Africa 40 Index will consist of the largest 40 eligible companies ranked by full market capitalisation, i.e. before the application of any investability weightings, which also meet the liquidity and free float requirements set out above. The number of constituents in this Index is maintained at a constant level of 40 with each country other than South Africa being limited to a maximum of 7 constituents and South Africa being limited to 10 constituents. In addition, no country may have more than 40% of the weight of the Index by investable market capitalisation.

5.4.2 FTSE/JSE All Africa ex South Africa 30 Index

The FTSE/JSE All Africa ex South Africa 30 Index will consist of the largest 30 eligible countries and stocks excluding South Africa ranked by full market capitalisation, i.e. before the application of any investability weightings, which also meet the liquidity and free float requirements set out above. The number of constituents in this Index is maintained at a constant level of 30 with each country being limited to a maximum of 7 constituents. In addition, no country may have more than 40% of the weight of the Index by investable market capitalisation.

6. Periodic Review of Constituent Companies

6.1 Review Dates

6.1.1 The FTSE/JSE All Africa Index Series will be reviewed on a quarterly basis in March, June, September and December based on data from the 3rd Friday in February, May, August and November. The reviews will be implemented on the next working day following the third Friday of March, June, September and December.

6.1.2 The underlying list of companies used to select the companies for the FTSE/JSE All Africa Index Series will only be updated annually in December based from the 3rd Friday of November (please see Rule 6.4.2).

6.2 Responsibilities and Reporting

6.2.1 FTSE is responsible for conducting the quarterly review of constituents for the FTSE/JSE All Africa Index Series and will recommend to the FTSE/JSE Advisory Committee any constituents to be inserted or deleted as part of the quarterly review.

6.2.2 The FTSE/JSE Advisory Committee will decide whether to approve the recommendation presented to it or will determine what other action should be taken in consequence of the outcome of the review of constituents.

6.2.3 FTSE is responsible for publishing the outcome of the quarterly review.

6.3 Rules for Insertion and Deletion at the Quarterly Review

6.3.1 The rules for inserting and deleting companies at the quarterly review are designed to provide stability in the selection of constituents of the FTSE/JSE All Africa Index Series while ensuring that the Index continues to be representative of the market by including or excluding those companies which have risen or fallen significantly.

6.3.2 A company will be inserted at the quarterly review if it rises above the position stated below for the relevant index when the eligible companies for each index are ranked by full market value:

FTSE/JSE All Africa 40 Index	-	Risen to 35th or above
FTSE/JSE All Africa ex South Africa 30 Index	-	Risen to 25th or above

6.3.3 A company will be deleted at the quarterly review if it falls below the position stated below for the relevant index when the eligible companies for each index are ranked by full market value:

FTSE/JSE All Africa 40 Index	-	Fallen to 46th or below
FTSE/JSE All Africa ex South Africa 30 Index	-	Fallen to 36th or below

6.3.4 Whilst selecting a stock within South Africa that already has 10 constituents or any other country that already has 7 constituents, buffers will also be in place within the individual countries during the quarterly review. A company will be inserted at the quarterly review if it rises above the position stated below for the relevant country when the eligible companies for each index are ranked by full market value:

South African constituents	-	Risen to 8th or above
Non South African constituents	-	Risen to 5th or above

6.3.5 A company will be deleted at the quarterly review if it falls below the position stated below for the relevant country when the eligible companies for each index are ranked by full market value:

South African constituents	-	Fallen to 12th or below
Non South African constituents	-	Fallen to 9th or below

6.3.6 A constant number of constituents will be maintained for each of the FTSE/JSE All Africa Indices. Where a greater number of companies qualify to be inserted in an index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the companies of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

6.3.7 Where a company is deleted after the FTSE/JSE Advisory Committee has met and approved periodic changes to the index but before the periodic changes have been implemented, the highest ranking company, based on full market capitalisation from the new Reserve List, excluding current index constituents, will replace the deleted company.

6.4 Monitoring of Eligible Companies

6.4.1 The market capitalisation of companies eligible for inclusion in the FTSE/JSE All Africa Index Series is monitored by FTSE. All listed ordinary companies on each stock exchange will be used to conduct the periodic reviews.

6.4.2 FTSE will monitor all eligible companies from the countries listed in Appendix B once a year at the December review. Any new companies will be considered as part of the eligible universe at the next December review. In all other quarterly reviews FTSE will update the eligible universe only for any new companies that rank (by full market capitalisation) 10th or above in either of the FTSE/JSE All Africa Indices. These companies will need to pass the eligibility criteria as stated in Section 5.

6.5 Reserve Lists

6.5.1 The Secretary to the FTSE/JSE Advisory Committee will be responsible for publishing the two highest ranking non-constituents in each Qualifying Country at the time of the periodic review. The appropriate Reserve List will be used in the event that one or more constituents are deleted during the period up to the next periodic review.

6.6 Country Capping

6.6.1 FTSE will be responsible for capping the countries in the FTSE/JSE All Africa 40 Index and the FTSE/JSE All Africa ex South Africa 30 Index to 40%. Each constituent in the capped country will be treated equally therefore they will receive the same capping factor.

7. Changes to Constituent Companies

7.1 New Issues

7.1.1 The FTSE/JSE All Africa 40 Index and FTSE/JSE All Africa ex South Africa 30 Index will not have intra-review additions. New issues which satisfy Rule 6.4.2 will be reviewed for index inclusion at the next quarterly review.

7.2 Removal and Replacement

7.2.1 If a constituent is delisted, or ceases to have a firm quotation, or is subject to a takeover or has, in the opinion of the Chairman and Deputy Chairman of the FTSE/JSE Advisory Committee (or their nominated deputies), ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents and replaced by the highest ranking company by full market capitalisation eligible on the appropriate Reserve List following Rule 5.4 as at the close of the index calculation two days prior to the deletion.

7.2.2 If the company removed is a constituent of the FTSE/JSE All Africa 40 Index, the replacement company will be taken from the highest ranking company on the FTSE/JSE All Africa 40 Index Reserve List. A constituent removed from the FTSE/JSE All Africa ex South Africa 30 Index will be replaced by the highest ranking company on the FTSE/JSE All Africa ex South Africa 30 Index Reserve List. The replacement company must be taken in accordance to Rule 5.4.

7.2.3 The removal and replacement are effected simultaneously, before the start of the index calculation on the second day following the day on which the event justifying removal was announced. Announcements made after the close of the index calculation are normally deemed to be made on the following business day. In the case of a take-over, the qualifying event is an announcement that the offer has been declared wholly unconditional.

7.2.4 Constituents removed in accordance with Rule 7.2.2, but which continue to trade thereafter will be considered for re-inclusion to the index at the next review, subject to Section 5 and that at least 6 months have passed between deletion and the implementation date of the changes arising from the review.

7.2.5 In extreme circumstances, when Rule 5.4 cannot be implemented due to a lack of companies in the country in question, the replacement company will be chosen from selecting the highest ranking constituent in the appropriate Reserve List. Therefore it is possible to have one more stock in a country.

7.3 Mergers, Restructuring and Complex Takeovers

7.3.1 If the effect of a merger or takeover is that one constituent in the FTSE/JSE All Africa 40 Index or the FTSE/JSE All Africa ex South Africa 30 Index is absorbed by another constituent, the resulting company will remain a constituent of the appropriate index, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security in the appropriate Reserve List as at the close of the index calculation two days prior to the deletion and related indices adjusted in accordance with Rule 7.2.

7.3.2 If a constituent company in either of the FTSE/JSE All Africa Indices is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent on the appropriate Reserve List. Any eligible company resulting from the take-over will be eligible to become the replacement company in accordance with Rule 5.4 if it is ranked higher than any company on the Reserve List.

7.3.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the FTSE/JSE All Africa Indices based on their respective full market capitalisations, i.e. before the application of any investability weightings and if they qualify in all other respects. For example a FTSE/JSE All Africa 40 Index constituent split into two companies may result in one or both of these companies remaining in the FTSE/JSE All Africa 40 Index. Where both of these companies remain in the FTSE/JSE All Africa 40 Index, the smallest FTSE/JSE All Africa 40 Index constituent following Rule 5.4 will be placed in the Reserve List.

7.3.4 In case of an unbundling the new constituents will be added to all the indices that the original company belonged to for a period of two days. Index constituent changes resulting from the split will be determined based on the market values at close on day one of trading and applied using market values at close on day two of trading, following the date that the split becomes effective. Consequently the FTSE/JSE All Africa 40 Index or the FTSE/JSE All Africa ex South Africa 30 Index may have an extra company for two days.

7.3.5 If the effect of a merger or takeover is that one constituent is absorbed by another constituent in the FTSE/JSE All Africa 40 Index or the FTSE/JSE All Africa ex South Africa 30 Index, the resulting company will remain a constituent of the index and a vacancy will be created. This vacancy will be filled by selecting the highest ranking non constituent in the relevant Reserve List in accordance to Rule 5.4 as at the close of the index calculation two days prior to the deletion.

7.4 Suspension of Dealing

7.4.1 Where a constituent is suspended it may remain in the FTSE/JSE All Africa Index Series, at the price at which it is suspended, for up to five business days. During this time the FTSE/JSE Advisory Committee may agree to delete the constituent immediately either at its suspension price or at a value of zero. Replacement of constituents will be handled according to Rule 7.2. 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.

7.4.2 When a suspension of a constituent lasts beyond noon on the fifth business day (and the option to remove the constituent has not been exercised), the constituent will normally be deleted from the index on the sixth trading day, either at its suspension price or at zero. Where suspension is for a reason not to the detriment of the constituent, it may be retained or removed at its suspension price with the approval of the FTSE/JSE Advisory Committee. Replacement of constituents will be handled according to Rule 7.2.

7.5 Relisting of Suspended Constituents

Where a suspended constituent, which has been removed from the indices, is subsequently relisted, the following rules shall apply:

7.5.1 Companies which, on relisting, are larger than the smallest constituent of the index shall be reinstated in the index at the price at which they were removed and the lowest ranking constituent will be selected for removal. The reinstatement will happen after the close of business on the first day after the stock is relisted.

7.5.2 Companies which, on relisting, are smaller than the smallest constituent of the FTSE/JSE All Africa 40 Index or the FTSE/JSE All Africa ex South Africa 30 Index from which they were removed when suspended shall be initially re-instated in the same index at the price at which they were removed and then included in the index, if any, for which they then meet the size criteria.

7.5.3 After a suspended stock is re-listed the timetable for the events described in Rules 7.5.1 and 7.5.2 above shall be as follows:

After close of business on day 1	the stock will be included in the index from which it was suspended.
After close of business on day 2	index constituents will be ranked by full market capitalisation and the smallest constituent will be selected for deletion, using prices as at the close of business.
After close of business on day 3	all changes will be implemented as detailed in the technical notice.

7.5.4 Should a deleted constituent that has been suspended at a price other than zero (which would normally be the suspension price) be subsequently delisted and deemed to be of nil value, this stock will be included for one day's calculation in the index from which it was removed to enable the fall in the stock's value to be reflected in the index value. In this situation, the stock will be re-included at the suspension price, and its price will be zero throughout that day's calculation, including the closing price.

7.5.5 If a company relists after a continuous period of suspension lasting more than a year, FTSE and the JSE reserve the right to treat the company as a new issue for the purposes of index eligibility.

7.5.6 If the procedure detailed in Rule 7.5.3 above, results in the re-instatement of a constituent in the FTSE/JSE All Africa 40 Index or the FTSE/JSE All Africa ex South Africa 30 Index, the smallest ranking company will be placed in the appropriate Reserve List following Rule 5.4.

7.6 Changes to Constituent Weightings

7.6.1 For the purposes of computing the FTSE/JSE All Africa Index Series and to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended each quarter only when the total shares in issue held within the calculation system changes by more than 1% on a cumulative basis.

7.6.2 If a corporate action is applied to an index constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action. These changes are made after the close of index calculation and therefore deemed to be applicable at the start of business the following day.

7.6.3 If accumulated changes in the number of shares in issue add up to 10% or more or when an accumulated share change represents USD 2bn of a company's total market capitalisation, they are implemented between quarters. A minimum of 4 days notice will be given to users of the index. WM/Reuters Spot Rates will be used to convert the market capitalisation into USD. The USD 2bn threshold may be adjusted annually in December by FTSE. If an adjustment is made, it will be applied for the first time at the next review in December of the following year.

7.6.4 All adjustments are made before the start of the index calculation on the day concerned unless market conditions prevent this.

8. Industry Classification Benchmark

8.1 Industry Classification Benchmark Committee

8.1.1 The FTSE Industry Classification Benchmark Committee is responsible for the industry classification of constituents of the FTSE/JSE All Africa Index Series within the Industry Classification Benchmark System. The FTSE Industry Classification Benchmark Committee may approve changes to the Industry Classification Benchmark System and Management Rules.

8.1.2 The classification of securities within industry is undertaken by FTSE and the JSE.

8.2 Classification of Constituents within Industry and Sectors

8.2.1 The FTSE/JSE All Africa Index Series constituents are classified into Industries, Supersectors, Sectors and Subsectors, as defined by the Industry Classification Benchmark (ICB).

8.2.2 Details of the Industry Classification Benchmark are available from FTSE (see Appendix C) and published on the FTSE website (www.ftse.com).

8.3 Changes to Industry Classification of Constituents

8.3.1 Changes to the classification of a company within the FTSE/JSE All Africa Index Series will be advised by the ICB committee and the necessary adjustments will be made to the relevant industry sectors at the same time that the constituent changes are implemented.

8.3.2 Where a constituent is the subject of a merger, restructuring, or complex take-over which results in a constituent (or part of a constituent) being absorbed by another, the industry sector classification of the resulting constituent(s) will be reviewed by the ICB committee.

8.3.3 Any adjustment resulting from a change in a company's classification under Rule 8.2.2 will be implemented at the same time that any relevant constituent changes are implemented in the Index.

8.3.4 Periodic changes to the industry classification of a company will be agreed and announced by the ICB committee. Such changes will be implemented after the close of the index calculation on the next working day following the third Friday of each month.

9. Index Calculation

9.1.1 All indices within the FTSE/JSE All Africa Index Series will be displayed to two decimal points.

9.1.2 The FTSE/JSE All Africa Index Series will be calculated in real time and published every 15 seconds.

9.1.3 The FTSE/JSE All Africa Index Series is calculated using the following formula:

$$IV = \frac{\sum_{i=1}^{n}\left((p_i \bullet e_i)s_i \bullet f_i \bullet c_i\right)}{d} \quad \text{for i = 1,2,3…n}$$

Where,

IV	Index Value
n	The number of companies in the Index.
p_i (Price)	The latest trade price of the i-th component security or the closing price of the i-th component security on the day.
e_i (Exchange Rate)	The exchange rate required to convert the security's currency into the index's base currency (if applicable).
s_i (Shares in Issue)	The number of shares in issue used for the i-th security, as defined in these Ground Rules.
f_i (Free Float Factor)	The factor to be applied to the i-th security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float band. The free float factor for each security is published by FTSE/JSE.
c_i (Capping Factor)	The factor applied to each security to allow its weight within the index to be capped, expressed as a number between 0 and 1 where 1 represents 100%, i.e. no cap. The capping factor is published by FTSE/JSE.
d (Divisor)	A figure that represents the total issued share capital of the Index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual companies to be made without distorting the Index.

10. Appendix A – Index Opening and Closing Hours

Index	Open	Close
FTSE/JSE All Africa 40 Index	06:30	18:00
FTSE/JSE All Africa 40 Index – Rand	06:30	18:00
FTSE/JSE All Africa ex South Africa 30 Index	06:30	18:00
FTSE/JSE All Africa ex South Africa 30 Index – Rand	06:30	18:00

Notes: Timings are GMT hours.

11. Appendix B – Qualifying Countries

The following countries are eligible to be included to the FTSE All Africa Index Series.

Botswana
Egypt
Ivory Coast
Kenya
Mauritius
Morocco
Nigeria
South Africa (not included in the FTSE/JSE All Africa ex South Africa 30 Index)
Tunisia

12. Appendix C – Further Information

12.1 Contacting FTSE & JSE

Further information on the FTSE/JSE All Africa Index Series is available from FTSE and the JSE, who will also welcome comments on these Ground Rules and on the Index Series.

Enquiries should be addressed in the first instance to:

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