

Corporate Actions and Events Guide for Market Capitalisation Weighted Indexes: Update

24 November 2022

FTSE Russell would like to inform clients of the following clarification update to the Corporate Actions and Events Guide for Market Capitalisation Weighted Indexes which is effective immediately.

Section 5: Changes to Shares Outstanding and Free Float - update shown in bold

5.2 Intra-Quarter Updates

Outside of the quarterly update cycle, shares and free float will be updated with at least two days' notice if occasioned by primary or secondary offerings IF:

- There is a USD 1bn investable market cap change related to a primary/secondary offering measured by multiplying the change to index shares by the subscription price;

OR

There is a resultant 5% change in index shares related to a primary or secondary offerings AND a USD 250m investable market cap change measured by multiplying the change to index shares by the subscription price. These changes will be implemented after the close on the day that the subscription period closes, assuming two days notice can be provided; if two days' notice cannot be provided prior to the end of the subscription period*, the change will still proceed with two days' notice and will be implemented at the earliest opportunity.

*In exceptional circumstances, FTSE Russell may defer implementation until after the new shares are listed and with the provision of two days' notice. An offering may be deemed exceptional if implementation prior to the listing of the new shares may cause undue price pressure on the company, or if proceeding with the changes may compromise the replicability of the index.

For example: Subscription close is Monday 4 April and discovery of the event is Friday 1 April. Therefore, implementation will occur with two days' notice, effective on Wednesday 6 April (i.e. close of business Tuesday 5 April).

If discovery of the event occurs more than five business days after the close of the subscription period, the changes will be deferred until the quarterly review cycle.

For example: Subscription close is Monday 4 April and discovery of the event is Monday 11 April. Therefore, implementation will occur with two days' notice, effective on Thursday 14 April (i.e. close of business Wednesday 13 April). However, if discovery occurred after Monday 11 April, the update will be deferred until the next quarterly review.

In the absence of a disclosed subscription period, the pricing date will serve as the trigger for implementation; i.e. once FTSE Russell is aware that an offering has priced (confirmed via an appropriate publicly disclosed announcement or filing), the update will be implemented with two days' notice from market close (contingent on the thresholds described above being triggered). If discovery of the pricing date occurs more than five business days after the pricing date, the

update will be deferred until the next quarterly review.

For the avoidance of doubt, other than the circumstances detailed under 'UK and Australian Listed Constituents' below, any voluntary partial buy back or partial tender offer made by a company for a portion of their own shares will be applied as part of the quarterly review process.

UK and Australian Listed Constituents

Due to local regulatory requirements, UK listed companies that wish to buy more than 15% of their own shares are required to do so via a **tender offer buy back offered to all shareholders** at a price typically at a premium to the market price. Additionally, Australian listed companies may, on occasion, offer all shareholders an equal opportunity to participate in a tender offer buy back. Under these circumstances, FTSE Russell will implement the change upon receipt of the tender offer buy back results subject to the above intra-quarter update thresholds being met (using the offer price to calculate size). Other types of buy backs (e.g. At Market) will not be implemented at the time of the event.

Norwegian Listed Constituents

It is fairly common for Norwegian companies to carry out a subsequent repair offering to all existing shareholders that were not invited to participate in an initial equity offering. If the initial equity offering breaches the intra-quarter buffers, FTSE Russell will implement repair offerings at the close of the subscription period, regardless of size. For more information see 'Repair Offerings' above.

An updated copy of the Corporate Actions and Events Guide for Market Capitalisation Weighted Indexes (v5.7) is now available using the following link: [Corporate_Actions_and_Events_Guide.pdf](#)

Or on the FTSE Russell website: www.ftserussell.com

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