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| Approved by the Directorate of  CJSC MICEX Stock Exchange  on  (Minutes No. 4 as of March 5, 2015)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  A. Kuznetsova  General Director  CJSC “MICEX Stock Exchange” |  |

**Free Float Methodology**

1. **General provisions**
   1. This methodology (hereinafter the Methodology) governs the procedure for determining and updating a coefficient reflecting the share of securities readily available for trading on a public market, the free float.
   2. The Methodology shall be applied to stocks including stocks of foreign issuers except for stocks issued by joint stock investment funds (hereinafter the stocks) as well as depositary receipts representing stocks that certify the rights in respect of represented securities (hereinafter the DR) which have been included in the indices calculated by Closed Joint Stock Company “MICEX Stock Exchange” (hereinafter the Exchange) and/or on the Exchange’s quotation lists (or which are being included on them). The stocks and DRs shall be hereinafter together referred to as the Stocks.
   3. Terms and definitions used herein shall be applied according to their meanings stipulated by the Exchange’s Listing rules (hereinafter the Listing rules), methodologies for calculating the Exchange’s Indices and the laws of the Russian Federation.
2. **Determination of the free float**
   1. The free float is determined based on the information that is disclosed by securities issuers and other publicly available information that contains information about owners of securities and/or owners of securities represented by depositary receipts including nominee (beneficiary) owners.
   2. The value of the free float is determined by dividing the number of securities (of the same category, type) of the issuer (issuer’s represented securities) freely available on the regulated market (hereinafter referred to as the “floating Stocks”) by the total number of issuer’s placed securities (of the same category, type) and/or issuer’s securities represented by depositary receipts determined as at the date of the latest quarterly report published by the issuer (as for Russian issuers) or other information containing data on holders of the Stocks (hereinafter the total number of Stocks).
   3. The number of the floating securities shall be determined based on an analysis of the structure of the shareholder’ equity with the following segments to be identified:
      1. Stocks held by the state, state corporations and institutions, the Bank of Russia, Central banks of foreign countries;
      2. Stocks purchased by the issuer (treasury stocks);
      3. Stocks in respect of which trades with third parties were executed resulting in encumbrance of such stocks;
      4. Stocks owned by:
         1. A sole executive body, members of the collegiate executive body and other persons appointed (elected) to hold senior positions at the issuer company; and/or
         2. Spouses, parents, children of persons stated in sub-clause 2.3.4.1 hereof; and/or;
         3. Companies in which persons stated in sub-clause 2.3.4.1 hereof, and/or their spouses, parents, children may govern their activities.
      5. Stocks held by other legal entities or individuals that accounted for more than 5% of the total number of the Stocks, except for those stocks stipulated in clause 2.3.6 herein;
      6. Stocks held by investment, pension or other funds;
      7. Stocks for which nominees - depositories are indicated as holders (including settlement depositories of organizers of trading), except for cases stipulated by clause 2.3.8 herein;
      8. Stocks for which Russian or foreign depositories (depository banks) are indicated that act as custodian banks for cases where securities of foreign issuers have been placed outside the Russian Federation in accordance with a foreign law and such securities certify rights on those Stocks or for cases where securities of Russian issuers certifying rights in respect of represented securities are traded on the territory of the Russian Federation (hereinafter the depositary receipts).
   4. The number of the floating securities shall be determined by subtracting the number of the Stocks indicated in clauses 2.3.1-2.3.5 herein from the total number of Stocks.
   5. The Index committee may recommend decreasing the number of floating Stocks by the number of Stocks indicated in clauses 2.3.8 herein with regard to securities that are depositary receipts. The number of floating Stocks may also be decreased by the number of Stocks specified in clause 2.3.6 herein if an investment or other fund may be a strategic investor with regard to recommendations of the Index committee including in cases where number of stocks held by such fund is more than 25% of the total number of the Stocks.
   6. As recommended by the Index committee, the exchange may limit the free float for a stock included in an index (FFi) in order to avoid disbalance between the stock’s weight in the index and its liquidity.
3. **Setting the free float. Announcements for the free floats.** 
   1. A value of the free float shall be set within the range of 0.00-1.00 accurate to two decimal places. For the purpose of disclosure the free float may be expressed as a percentage.
   2. The free float values shall be set by the Exchange with the recommendations of the Index committee.
   3. Initial values are determined and used as follows:
      1. The initial free floats set by the Exchange shall start to be applied to calculate the indices from the next indices review date or unscheduled indices review date provided that the Exchange has made the relevant decision.
      2. The free floats approved by the Exchange are used to vet a security to include it on the Exchange’s lists/change the listing level (in this case the last value of the free float approved by the Exchange is to be used).
      3. The free float value is to be posted on the Moscow Exchange’s website within five days from the approval date (if relevant security is in the List of securities admitted to trading), or on or after the day on which the decision was made to include the security on the List of securities admitted to trading (if the free float is set for the securities considered for the inclusion on such List).
   4. Review of the free float.
      1. The free float is to be reviewed for securities included in the indices calculated by the Exchange and the Exchange’s quotation lists.
      2. If a current value of the free float is more than 15% and the expected review will change it by less than two percentage points, it may remain unchanged as recommended by the Index committee.
      3. New values of the free float are to be approved by the Exchange as recommended by the Index committee, once a quarter by 5 March, 5 June, 5 September or 5 December. The free float may be reviewed in different time frames as decided so by the Exchange if information about significant changes in the ownership structure stated in clause 2.1 hereof has been received.
      4. The reviewed free float is to be used to calculate the index starting from the next regular index review date, or from the extraordinary index review date as decided by the Exchange.
      5. The reviewed free float is to be used to vet a security to include it on the quotation lists/transfer to other listing level and maintain it in the quotation list (in this case the last value of the free float approved by the Exchange is to be used).
      6. The reviewed free float is to be posted on the Moscow Exchange’s website within five days of its approval date.