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| **APPROVED**by the Executive Board of Moscow Exchange17 August 2022(Minutes No 58)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Yury Denisov CEO of Moscow 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 the following securities:
* stocks including stocks of foreign issuers except for stocks issued by joint stock investment funds,
* depositary receipts representing stocks that certify the rights in respect of represented securities (the "DR").

The stocks and DRs shall be hereinafter jointly referred to as “the Stocks”.

* 1. This Methodology shall be applied to the Stocks which are constituents of or on waiting lists to be included in the indices calculated by Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter “the Exchange”), and/or on the Exchange’s quotation lists or which are being included on them (except for when the stocks were included into quotation lists without compliance with the requirement to the issuer’s Free Float and without completed placement and/or planned sale.
	2. The business of creating, calculating, revising and updating the Free Float as well as revising this Methodology is based on a set of administrative principles and rules described in the Moscow Exchange Index Management Policy.
	3. Terms and definitions used herein shall be applied according to their meanings stipulated by the Exchange’s Listing Rules, methodologies for calculating the Exchange’s Indices and the laws of the Russian Federation.
1. **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 beneficiary owners.
	2. The Free Float (FF) shall be determined as follows:

$$FF=\frac{QFF}{Q},$$

где

Q – the total number of stocks, determined as the number of outstanding stocks and/or represented stocks of an issuer of the same category, type, based on data as of the date of the calculation;

QFF – the number of stocks in free float.

* 1. The amount of free float is determined by subtracting the number of stocks not in free float from the total number of the issuer's shares.

$$QFF=Q-Q^{n},$$

where

Q – the total number of stocks, determined as the number of outstanding stocks and/or represented stocks of the issuer of one category, type, according to the data as of the date of calculation;

Qn – the number of stocks specified in clause 2.5.

* 1. The Index Committee shall be entitled to recommend the Exchange to class stocks held by one or another shareholder either to floating stocks, or to stocks that are not floated. When making the recommendations the Index Committee should be guided by data available in public domain on the shareholding structure, affiliation of holders and/or beneficiaries, as well as by the Index Committee expert opinion.
	2. Stocks not available for trading (Qn) on the open market include those held by the following categories of owners and/or beneficiaries:
		1. The Russian Government, other executive authorities, the Bank of Russia, foreign central banks, federal funds, state corporations and state-owned companies;
		2. An issuer and legal entities controlled by such issuer on the part of issued stocks they hold;
		3. Holders of encumbered stocks (i.e. stocks held under attachment, pledge or other security arrangement except repo transactions) to the extent of the part of stocks subject to encumbrance;
		4. Persons who carry sole executive body functions, members of collective executive bodies, as well as other persons appointed (elected) to senior leadership positions in the issuer’s organisation;
		5. Spouses, close relatives (parents (including adoptive parents), children (including adopted children), full and half brothers and sisters) of the persons referred to in clause 2.5.4;
		6. Organisations in which the persons referred to in clause 2.5.4 and/or their spouses or close relatives have the opportunity to influence decision-making concerning the activities of such an organisation;
		7. Legal entities or individuals, except for securities depositories or institutional portfolio investors holding at least 5% of the total number of stocks issued, as well as those of listed herein entities/individuals that are affiliated and jointly hold at least 5% of the total number of stocks issued;
		8. Institutional portfolio investors and insurance companies, as well as affiliates of the persons referred to in this paragraph who hold 5% or more of the total number of shares, if the Index Committee of the Exchange recommends that the shares held by them be classified as not traded on the open market;
		9. Private Equity Funds and sovereign wealth funds. Stocks held by the persons referred to in this clause may be recognised as free float if, on the recommendation of the Index Committee, the fund is recognised as acting as a portfolio investor;
		10. Other legal entities and/or individuals who are, in the opinion of the members of the Index Committee, long-term strategic shareholders of the issuer and who are unlikely to sell the stocks on the open market in the foreseeable future. This clause includes stocks held by persons bound not to sell them within a certain period of time;
		11. Depositaries, if Stocks kept by them, in the opinion of the members of the Index Committee, are held by one of the categories of holders listed in clauses 2.5.1-2.5.10.
		12. The ownerships referred to in clauses 2.5.7 and 2.5.8 shall be determined for the purpose of determining the owners and/or beneficiaries referred to in the relevant clauses, in accordance with mathematical rounding rules.
	3. The Exchange is entitled to set the Free Float to zero for securities which do not meet the following criteria:
		1. The issuer has at least 100 shareholders. If a security has been placed/offered for the first time on the public market, this criterion is applied after the issuer discloses (no sooner than six months after the security was placed) the total number of entities/persons in the shareholder register compiled for the AGM.
		2. The Liquidity Coefficient (LC) is 0.1% or higher. The LC is calculated as follows:

$$LC=\frac{Median(V)}{Average(P∙QFF)}∙WorkDays\*100\%,$$

Where

Median(V) – the median daily trading volume in RUB over for the stock over the three months preceding the calculation date;

WorkDays – the number of trading days per year, the default is 247. The Exchange may set other value.

Average(P$∙$QFF) – the average market cap of the stock calculated for three months immediately preceding the calculation date, where

P– closing price;

QFF – the amount of free float.

* 1. The Free Float shall be set within the range of 0.00-1.00 accurate to two decimal places. For disclosure purposes, the value of the Free Float ratio may be expressed as a percentage.
1. **Setting the Free Float. Announcements for the Free Floats.**
	1. Values of Free Float Factors are set by the Exchange taking into account recommendations of the Index Committee once a quarter no later than the first Thursday of March, June, September and December.
	2. Values of Free Float Factors may be set on an extraordinary basis if decided so by the Exchange in case of receipt of information specified in item 2.1 above about a significant change in the ownership structure, as well as in case the stock has been listed on the Exchange or admitted to the Growth Sector.
	3. The need to review the value of the Free Float is determined in relation to securities included in indices calculated by the Exchange and the quotation lists of the Exchange and the Growth Sector.
	4. If the current value of the Free Float Factor exceeds 15%, the Exchange may not adjust it, provided that the change from the current value does not exceed 2 percentage points.
	5. Free Float values as approved by the Exchange shall be applied to the calculation of indices from the nearest date of the regular or unscheduled review of the index.
	6. Free Float values as approved by the Exchange for purposes of inclusion to the quotation lists / change of the listing level, maintenance in the quotation lists, inclusion and maintenance in the Growth Sector are used while examining securities and maintenance procedures (in this case the last approved Free Float value as of the respective date is used).
	7. The value of the Free Float shall be disclosed on the Exchange's official website no later than five business days from the date of its approval, if the securities are included in the List of Securities Admitted to Trading on the Exchange (the "List").
		1. If the Stocks have not been included in the List before, the value of the Free Float shall be announced not earlier than the date of the decision to include the Stocks on the List.