

## **MEETING CONCLUSIONS**

### **CEEplus Index Oversight Committee**

Date and venue: 25 Nov. 2021, 13:00

Participants list:

Members:

Jiří Opletal - Chair

Attila Varga-Balázs

Remus Danila

Krzysztof Sosnowski

Adam Błasiak

Invited:

Zbigniew Minda

Małgorzata Odolińska

#### 1. Free-float definition amendment

M. Odolińska presented comparison of the current CEEplus portfolio with the simulated new CEEplus portfolio taking into account the modified principle of free float determination under consideration. Under the modified approach all holdings of collective investment institutions (e.g. investment and pension funds) would be considered as free-float above the 5% cap in the issuer's capital, unless these holdings exceed 25% of the issuer's capital.

M. Odolińska explained that if simulations were based on definition applied by the Warsaw Stock Exchange (no 25% threshold applied), the simulation would have given the same results, because the shareholder structure of companies from the CEEplus index does not include a collective investment entity (TFI, OFE), which exceeded the 25% share in votes. Hence such a simulation was not necessary.

Committee unanimously agreed on the amendment of the free-float definition in the way described above, which therefore shall be introduced as soon as possible and enter into force from the next annual revision ie. in May 2022.

#### 2. Blue chip index

Upon presentation of the methodological assumptions of a blue-chip version of CEEplus Index, a discussion was held on the rules of qualification of participants to the Index. Members expressed their views on whether the Administrator should apply threshold of 30%, 20% or 10% of the average turnover of a given company in the last six months as percentage of the average turnover of all companies from the CEEplus index in the last year. Diversity of the Index stemming from 30% threshold was underlined, however also much lower "investability" of that version. Taking that into consideration, Members recommended the 20% threshold as an optimal, middle-way approach. This recommendation has been after the meeting confirmed by the two remaining Members.

### 3. Cyclical review plan

Members accepted a cyclical review plan of CEEplus Index for 2021. The review report shall be presented in December. Chair recommended that in the “future developments” part of the review, Administrator should touch on the issue of real – time calculation and publication of the Index, which would be a welcome sign of maturity of the Index.

Next meeting will be held mid-January.