

## FTSE QUALITY OF MARKETS CRITERIA (EUROPE Emerging) as at March 2017

CRITERIA	COUNTRY NAMES										
	DEV WATCH	Poland	ADV EMG	Czech Republic	Greece	Hungary	Turkey	SEC EMG	Russia	SEC EMG WATCH	Romania
World Bank GNI Per Capita Rating, 2015		High		High	High	High	Upper Middle		High		Upper Middle
Credit Worthiness		Investment		Investment	Highly Speculative	Investment	Speculative		Speculative		Investment
<b>Market and Regulatory Environment</b>											
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass	X	Pass
Fair and non-prejudicial treatment of minority shareholders	X	Pass	X	Pass	Pass	Pass	Pass		Restricted		Pass
No or selective incidence of foreign ownership restrictions	X	Pass	X	Pass	Pass	Pass	Pass		Restricted		Pass
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass	X	Pass
Free and well-developed equity market	X	Pass	X	Pass	Pass	Pass	Pass		Restricted		Not Met
Free and well-developed foreign exchange market	X	Pass	X	Pass	Pass	Pass	Pass		Pass		Restricted
No or simple registration process for foreign investors	X	Pass	X	Pass	Pass	Pass	Pass		Restricted		Restricted
<b>Custody and Settlement</b>											
Settlement - Rare incidence of failed trades	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass	X	Pass
Custody-Sufficient competition to ensure high quality custodian services	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass		Pass
Clearing & Settlement - T+2 / T+3	X	T+2	X	T+2	T+2	T+2	T+2	X	T+2	X	T+2
Settlement - Free delivery available	X	Pass		Pass	Pass	Pass	Pass		Pass		Restricted
Custody - Omnibus account facilities available to international investors	X	Restricted	X	Pass	Restricted	Pass	Restricted		Pass		Not Met
<b>Dealing Landscape</b>											
Brokerage - Sufficient competition to ensure high quality broker services	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass		Pass
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass		Not Met
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass		Pass
Stock Lending is permitted	X	Pass		Restricted	Restricted	Restricted	Pass		Not Met		Not Met
Short sales permitted	X	Pass		Restricted	Pass	Pass	Pass		Pass		Restricted
Off-exchange transactions permitted	X	Pass		Pass	Restricted	Pass	Pass		Pass		Not Met
Efficient trading mechanism	X	Pass		Pass	Pass	Pass	Pass		Pass		Pass
Transparency - market depth information / visibility and timely trade reporting process	X	Pass	X	Pass	Pass	Pass	Pass	X	Pass	X	Pass
<b>Derivatives</b>											
Developed Derivatives Market	X	Pass		Not Met	Pass	Pass	Restricted		Pass		Restricted

Shading indicates a change from September 2016