

FTSE European Index Series

v12.3



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Section 1

Introduction

1. Introduction

- 1.1 This document sets out the Ground Rules for the construction and management of the FTSE European Index Series. Copies of the Ground Rules are available from FTSE Russell.
- 1.2 The FTSE Eurotop 100 Index is designed to provide investors with an index that measures the performance of the 100 largest capitalised European companies. A complete list of eligible countries is set out in Appendix A. The index is calculated in Euros and published in Euros and other currencies.
- 1.3 The FTSE Euro 100 Index is designed to represent the performance of companies within the European countries that are included in the European Monetary Union. It provides investors with an index that measures the performance of 100 of the largest capitalised European companies. A complete list of eligible countries is set out in Appendix A. The Index is calculated in Euros and published in Euros and other currencies.
- 1.4 The FTSE EuroMid Indices are designed to provide investors with a set of indices that measure the performance of medium-sized European companies. All indices are calculated in Euros and published in Euros and other currencies. The FTSE EuroMid Indices encompass the following indices:
 - FTSE EuroMid
 - FTSE EuroMid Eurozone
 - FTSE EuroMid ex UK
- 1.5 Each security must be a current constituent of the FTSE All-World Developed Europe Index. The FTSE European Index Series methodology should therefore be read in conjunction with the FTSE Global Equity Index Series Ground Rules. These rules are available on <http://www.lseg.com/en/ftse-russell>.
- 1.6 The FTSE European Index Series does not take account of ESG factors in its index design.
- 1.7 **FTSE Russell**

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.
- 1.8 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.

- 1.9 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:
- any reliance on these Ground Rules;
 - any inaccuracies in these Ground Rules;
 - any non-application or misapplication of the policies or procedures described in these Ground Rules; and/or
 - any inaccuracies in the compilation of the index or any constituent data.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series¹.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series, and will:

- maintain records of the index weightings of all constituents and reserve companies;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews; and
- disseminate the indices.

2.1.3 FTSE is also responsible for monitoring the performance of the FTSE European Index Series throughout the day and will determine whether the status of each index should be 'firm', 'indicative' or 'held'.

2.2 These Ground Rules

2.2.1 This document sets out the construction and maintenance of the FTSE European Index Series.

2.3 Amendments to these Ground Rules

2.3.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index Governance Board before approval is granted.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below:

3.1 Corporate Actions and Events Guide

- 3.1.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

3.2 Queries and Complaints

- 3.2.1 FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.3 Index Policy for Trading Halts and Market Closures

- 3.3.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

3.4 Index Policy in the Event Clients are Unable to Trade a Market or a Security

- 3.4.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.5 Recalculation Policy and Guidelines

- 3.5.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index recalculation guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the FTSE European Index Series will be notified through appropriate media.

For further information, refer to the FTSE Russell Recalculation Policy and Guidelines document, which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

3.6 Policy for Benchmark Methodology Changes

- 3.6.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.7 FTSE Russell Governance Framework

- 3.7.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.8 Real Time Status Definitions

- 3.8.1 Please refer to the following guide for details of real time status definitions for indices which are calculated in real time.

[Real Time Status Definitions.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Eligible securities

4. Eligible securities

- 4.1 Each security must be a current constituent of the FTSE All-World Developed Europe Index. Please refer to the FTSE Global Equity Index Series Ground Rules for more information:

[FTSE Global Equity Index Series.pdf](#)

Section 5

FTSE Eurotop 100 Index – annual review of constituents

5. FTSE Eurotop 100 Index – annual review of constituents

The FTSE Eurotop 100 Index consists of the largest 100 European companies by full market capitalisation (subject to rules 5.3.3 and 5.3.4), which qualify as eligible for inclusion in the index.

5.1 Review dates

- 5.1.1 The FTSE Eurotop 100 Index will be reviewed annually in March using data from the close of business on the Monday four weeks prior to the review effective date. Any constituent changes resulting from the review will be implemented after the close of business on the third Friday of March (i.e. effective date).
- 5.1.2 Details of the outcome of the review and the dates on which any changes are to be implemented will be published as soon as possible.

5.2 Responsibilities and reporting

- 5.2.1 FTSE Russell is responsible for conducting the annual review of constituents for the FTSE Eurotop 100 Index. All eligible securities will be ranked by their current full market capitalisations i.e. before the application of any investability weightings.
- 5.2.2 FTSE Russell is responsible for publicising the outcome of the annual review.

5.3 Rules for insertion and deletion at the annual review

- 5.3.1 The rules for inserting and deleting companies at the annual review are designed to provide stability in the selection of constituents of the FTSE Eurotop 100 Index while ensuring that the index continues to be representative of the market by including or excluding those companies which have risen or fallen significantly.
- 5.3.2 At review, all constituents of the FTSE Eurotop 100 must be existing or pending constituents to the FTSEurofirst 300 Index i.e. the review will take into consideration any constituent changes to the FTSE All-World Developed Europe Index and will therefore be conducted before the implementation date of these changes.
- 5.3.3 A company will be inserted into the FTSE Eurotop 100 at the periodic review if it rises to 90th position or above when the eligible companies are ranked by full market value i.e. before the application of any investability weightings.
- 5.3.4 A company in the FTSE Eurotop 100 Index will be deleted at the periodic review if it falls to 111th position or below when the eligible companies are ranked by full market value i.e. before the application of any investability weightings.

- 5.3.5 A constant number of constituents will be maintained for the FTSE Eurotop 100 Index. Where a greater number of companies qualify to be inserted in the index than those qualifying to be deleted (see rules 5.3.3 and 5.3.4), the lowest-ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted (see rules 5.3.3 and 5.3.4), the securities of the highest-ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

5.4 Monitoring of eligible companies

- 5.4.1 The market capitalisation of European companies eligible for inclusion in the FTSE Eurotop 100 Index will be monitored by FTSE Russell. The constituents of the FTSE World Europe Index will be used to conduct the periodic reviews, see rule 5.3.2.

5.5 Reserve lists

- 5.5.1 FTSE Russell is responsible for publishing the ten highest-ranking non-constituents of the FTSE Eurotop 100 Index following each quarterly review of the FTSEurofirst 300 Index. This reserve list will be used should one or more constituents is deleted from the FTSE Eurotop 100 Index during the period up to the next quarterly review of the FTSEurofirst 300 Index. Companies on the reserve list will be constituents of the FTSEurofirst 300 Index.
- 5.5.2 Where a company is removed from the Index (under section 6), the highest-ranking company from the new reserve list (excluding current index constituents) will replace the deleted company.
- 5.5.3 Where a company being deleted is already due to be replaced in the FTSE Eurotop 100 as part of the periodic review, it will be replaced by the largest company previously announced as a review addition to the index. In other words, the review addition will be brought forward and implemented concurrent with the intra-quarter deletion

Section 6

FTSE Eurotop 100 Index – changes to constituent companies

6. FTSE Eurotop 100 Index – changes to constituent companies

6.1 Removal and replacement

- 6.1.1 If a constituent is delisted, ceases to have a firm quotation or is subject to a takeover offer that has been declared wholly unconditional or has ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents and replaced by selecting the highest-ranking company on the reserve list (see rule 5.5) as at the close of the index calculation two days prior to the deletion.
- 6.1.2 The removal and replacement are effected simultaneously and applied with two days' notice.
- 6.1.3 In the event where a company has been deleted from the index following a takeover but retains a listing with a float greater than 5%, it will be considered for index eligibility as a new issue following a period of 12 months.

6.2 New issues

- 6.2.1 Where a company, whether an existing constituent or not, undertakes an initial public offering (IPO) of a new equity security, that security may be eligible for fast entry inclusion to the FTSE European Index Series. To qualify, the company must be a fast entry into the FTSE All-World Developed Europe Index and FTSEurofirst 300. In such a case, FTSE Russell will normally include the company after the close of business on the fifth day of official trading and advance notification will be given accordingly. The security which is the lowest ranking constituent of the index will be selected for removal. In the event of the fifth day of trading occurring during the week of the index review, an eligible fast entrant will be added to the index concurrent with the review effective date.
- 6.2.2 New issues of companies that do not qualify for early entry under rule 6.2.1 but which meet the criteria for eligible securities will be eligible for inclusion at the next annual review, if large enough to become a constituent of the FTSE Eurotop 100 Index at this time. The company may also qualify for inclusion to the FTSE Eurotop 100 Index reserve list following the quarterly reviews of the FTSEurofirst 300 Index.
- 6.2.3 For this rule, a company that is relisted following suspension or is reorganised or renamed or which arises from a demerger or complex reorganisation of another company, which is not an existing constituent, shall not be considered to be a new issue. However, an IPO that arises from a demerger shall be considered as a new issue.
- 6.2.4 If FTSE Russell decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

Section 7

FTSE Euro 100 Index – periodic review of constituents

7. FTSE Euro 100 Index – periodic review of constituents

The FTSE Euro 100 Index consists of the 100 largest companies within the FTSEurofirst 300 Eurozone Index (subject to rules 7.3.3 and 7.3.4) that qualify as eligible for inclusion in the index.

7.1 Review dates

7.1.1 The FTSE Euro 100 Index will be reviewed annually in March using data from the close of business on the Monday four weeks prior to the review effective date and will take into consideration any constituent changes to the FTSE All-World Developed Europe Index.

7.1.2 Details of the outcome of the review will be published as soon as possible. Changes to the FTSE Euro 100 Index will be implemented after the close of business on the third Friday in March (i.e. effective Monday).

7.2 Responsibilities and reporting

7.2.1 FTSE Russell is responsible for conducting the periodic review of constituents for the FTSE Euro 100 Index. All eligible securities will be ranked by their full market capitalisations i.e. before the application of any investability weightings.

7.2.2 FTSE Russell is responsible for publicising the outcome of the periodic review.

7.3 Rules for insertion and deletion at the annual review

7.3.1 The rules for inserting and deleting companies at the annual review are designed to provide stability in the selection of constituents of the FTSE Euro 100 Index while ensuring that the index continues to be representative of the market by including or excluding those companies that have risen or fallen significantly.

7.3.2 At review, all constituents of the FTSE Euro 100 must be existing or pending constituents to the FTSEurofirst 300 Eurozone Index i.e. the review will take into consideration any constituent changes to the FTSE All-World Developed Europe Index and will therefore be conducted before the implementation date of these changes.

7.3.3 A company will be inserted into the FTSE Euro 100 at the periodic review if it rises to 90th position or above when the eligible companies are ranked by full market value i.e. before the application of any investability weightings.

7.3.4 A company in the FTSE Euro 100 Index will be deleted at the periodic review if it falls to 111th position or below when the eligible companies are ranked by full market value i.e. before the application of any investability weightings.

- 7.3.5 A constant number of constituents will be maintained for the FTSE Euro 100 Index. Where a greater number of companies qualify to be inserted in the index than those qualifying to be deleted (see rules 7.3.3 and 7.3.4), the lowest-ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted (see rules 7.3.3 and 7.3.4), the securities of the highest-ranking companies that are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

7.4 Reserve lists

- 7.4.1 FTSE Russell is responsible for publishing the 10 highest-ranking non-constituents of the FTSE Euro 100 Index following each quarterly review of the FTSEurofirst 300 Index. This reserve list will be used if one or more constituents is deleted from the FTSE Euro 100 Index during the period up to the next quarterly review of the FTSEurofirst 300 Index. Companies on the reserve list will be constituents of the FTSEurofirst 300 Index.
- 7.4.2 Where a company is removed from the index (under rule 8.1), the highest-ranking company from the new reserve list (excluding current index constituents) will replace the deleted company.
- 7.4.3 Where a company being deleted is already due to be replaced in the FTSE Euro 100 as part of the periodic review, it will be replaced by the largest company previously announced as a review addition to the index. In other words, the review addition will be brought forward and implemented concurrent with the intra-quarter deletion.

Section 8

FTSE Euro 100 Index – changes to constituent companies

8. FTSE Euro 100 Index – changes to constituent companies

8.1 Removal and replacement

- 8.1.1 If a constituent ceases to be a constituent of the FTSEurofirst 300 Eurozone Index, is delisted ceases to have a firm quotation or is subject to a takeover offer that has been declared wholly unconditional or has ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents of the FTSE Euro 100 index and replaced by selecting the highest ranking company on the reserve list (see rule 7.4) as at the close of the index calculation two days prior to the deletion.
- 8.1.2 The removal and replacement are effected simultaneously and applied with two days' notice.
- 8.1.3 In the event where a company has been deleted from the index following a takeover but retains a listing with a float greater than 5%, it will be considered for index eligibility as a new issue following a period of 12 months.

8.2 New issues

- 8.2.1 Where a company, whether an existing constituent or not, undertakes an initial public offering (IPO) of a new equity security, that security may be eligible for fast entry inclusion to the FTSE European Index Series. To qualify, the company must be a fast entry into the FTSE World Index and FTSEurofirst 300. In such a case, FTSE Russell will normally include the company after the close of business on the fifth day of official trading and advance notification will be given accordingly. The security that is the lowest-ranking constituent of the index will be selected for removal. In the event of the fifth day of trading being close to an index review, FTSE Russell may use its discretion to include a fast entrant at the index review date following advance notice.
- 8.2.2 New issues of companies that do not qualify for early entry under rule 8.2.1 but which meet the criteria for eligible securities will be eligible for inclusion at the next annual review, if large enough to become a constituent of the FTSE Euro 100 Index at this time. The company may also qualify for inclusion to the FTSE Euro 100 Index Reserve List following the quarterly reviews of the FTSEurofirst 300 Eurozone Index.
- 8.2.3 For this rule, a company that is relisted following suspension or is reorganised or renamed or which arises from a demerger or complex reorganisation of another company that is not an existing constituent, shall not be considered to be a new issue. However, an IPO that arises from a demerger shall be considered as a new issue.
- 8.2.4 If FTSE Russell decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

Section 9

FTSE Euromid Indices – qualification criteria

9. FTSE Euromid Indices – qualification criteria

9.1 The FTSE EuroMid Index consists of all the constituents of the FTSE All-World Developed Europe Index that are not current constituents of the FTSEurofirst 300 Index (see FTSE Global Equity Index Series treatment of multiple lines of equity and rule 11.2 concerning new issues).

9.2 FTSE EuroMid ex UK Index

9.2.1 The FTSE EuroMid ex UK Index consists of all the constituents of the FTSE EuroMid Index that have not been allocated a UK nationality.

9.3 FTSE EuroMid Eurozone Index

9.3.1 The FTSE EuroMid Eurozone Index consists of all the European constituents of the FTSE EuroMid Index included in the first phase of the European Monetary Union.

Section 10

FTSE Euromid Indices – periodic review of constituents

10. FTSE Euromid Indices – periodic review of constituents

10.1 Review dates

- 10.1.1 The FTSE EuroMid Indices will be reviewed quarterly in March, June, September and December using data from the close of business on the Monday four weeks prior to the review effective date. Any constituent changes will be implemented after the close of business on the third Friday (i.e. effective Monday) of the review month.
- 10.1.2 Details of the outcome of the review and the dates on which any changes are to be implemented will be published as soon as possible.

10.2 Responsibilities and reporting

- 10.2.1 FTSE Russell is responsible for conducting the periodic review of constituents for the FTSE EuroMid Indices. For each index, all eligible securities will be ranked by their full current market capitalisations i.e. before the application of any investability weightings.
- 10.2.2 FTSE Russell is responsible for publicising the outcome of the periodic review.

10.3 Rules for insertion and deletion at the periodic review

- 10.3.1 The rules for inserting and deleting companies at the periodic review are designed to provide stability in the selection of constituents of the FTSE EuroMid Indices while ensuring that the indices continue to be representative of the market by including or excluding those companies that have risen or fallen significantly.
- 10.3.2 Companies will be added to or removed from the FTSE EuroMid Index at the periodic review as appropriate to comply with section 9.

Section 11

FTSE Euromid Indices – changes to constituent companies

11. FTSE Euromid Indices – changes to constituent companies

11.1 Removal and replacement

- 11.1.1 If a constituent ceases to be a constituent of the FTSE All-World Developed Europe Index, is delisted, ceases to have a firm quotation or is subject to a takeover offer that has been declared wholly unconditional or has ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the index.
- 11.1.2 The removal is applied with two days' notice.
- 11.1.3 In the event where a company has been deleted from the index following a takeover but retains a listing with a float greater than 5% it will be considered for index eligibility as a new issue following a period of 12 months.

11.2 New issues

- 11.2.1 If a new equity security becomes a constituent of the FTSE All-World Developed Europe Index, but would not be large enough to become a constituent of the FTSEurofirst 300 Index, it will become a constituent of the FTSE EuroMid Indices. To qualify, the company must be a fast entry into the FTSE All-World Developed Europe Index. In such a case, the timing of the inclusion of the new constituent will be at the same time as it enters the FTSE All-World Developed Europe Index.
- 11.2.2 New equity securities that do not qualify for fast entry under rule 11.2.1 but which meet the criteria for eligible securities will be eligible for inclusion at the next quarterly review if they are current constituents of the FTSE All-World Developed Europe Index.
- 11.2.3 For this rule, a company that is relisted following suspension or is reorganised or renamed or which arises from a demerger or complex reorganisation of another company that is not an existing constituent, shall not be considered to be a new issue. However, an initial public offering (IPO) that arises from a demerger shall be considered as a new issue.
- 11.2.4 If FTSE Russell decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

Section 12

Corporate actions and events

12. Corporate actions and events

- 12.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

A corporate action is an action on shareholders with a prescribed ex-date. The share price will be subject to an adjustment on the ex-date. These include the following:

- capital repayments;
- rights issues/entitlement offers;
- stock conversion;
- splits (sub-division)/reverse splits (consolidation); and
- scrip issues (capitalisation or bonus issue).

A corporate event is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required, FTSE will provide notice advising of the timing of the change.

12.2 Shares in issue

Changes to the number of shares in issue for constituent securities are covered in the Corporate Actions and Events Guide.

12.3 Mergers, restructuring and complex takeovers

FTSE Euromid Index

- 12.3.1 If the effect of a merger or takeover is that one constituent is absorbed by another constituent in the index, the resulting company will remain a constituent of the index.
- 12.3.2 If a constituent company is taken over by a non-constituent company, the original constituent will be removed. Any eligible company resulting from the takeover may be eligible to become the replacement company if it is added to the FTSE All-World Developed Europe Index.
- 12.3.3 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents if they are also added to the FTSE All-World Developed Europe Index.

FTSE Euro 100 Index

- 12.3.4 If the effect of a merger or takeover is that one constituent is absorbed by another constituent in the index, the resulting company will remain a constituent of the index and a vacancy will be created. This vacancy will be filled by selecting the highest-ranking security from the reserve list (see rule 5.5) as at close of the index calculation two days prior to the deletion.

- 12.3.5 If a constituent company is taken over by a non-constituent company, the original constituent will be removed and replaced by the largest eligible non-constituent of the FTSEurofirst 300 Eurozone Index reserve list.
- 12.3.6 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the FTSE Euro 100 Index providing their respective full market capitalisation(s) (i.e. before the application of any investability weightings) is larger than the smallest existing constituent in the FTSE Euro 100 Index and if they qualify in all other respects. Where two or more of the new companies remain in the index, the smallest FTSE Euro 100 Index constituent(s) will be removed to retain an overall number of 100 companies.
- 12.3.7 If none of the companies resulting from a split remain eligible for the FTSE Euro 100 Index, the original constituent will be replaced by the highest-ranking company eligible on the reserve list (see rule 7.4) as at the close of the index calculation two days prior to the deletion.
- 12.3.8 Index constituent changes resulting from the split will be determined based on market values at close on the first day of trading of the split. The changes will be effective two days later. Consequently, the FTSE Euro 100 Index may have more than 100 companies for three days.

FTSE Eurotop 100 Index

- 12.3.9 If the effect of a merger or takeover is that one constituent is absorbed by another constituent in the index, the resulting company will remain a constituent of the index and a vacancy will be created. This vacancy will be filled by selecting the highest-ranking security selected from the reserve list (see rule 5.5) as at close of the index calculation two days prior to the deletion.
- 12.3.10 If a constituent company is taken over by a non-constituent company, the original constituent will be removed and replaced by selecting the highest-ranking non-constituent on the reserve list. Any eligible company resulting from the takeover will be eligible to become the replacement company if it is ranked higher than any company on the reserve list as at the close of the index calculation two days prior to completion of the acquisition, based on the combined value of the company after the merger.
- 12.3.11 If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the FTSE Eurotop 100 Index providing their respective full market capitalisation(s) (i.e. before the application of any investability weightings) is larger than the smallest existing constituent in the FTSE Eurotop 100 Index and if they qualify in all other respects. Where two or more of the new companies remain in the index, the smallest FTSE Eurotop 100 Index constituent(s) will be removed, to retain an overall number of 100 companies.
- 12.3.12 If none of the companies resulting from a split remain eligible for the FTSE Eurotop 100 Index, the original constituent will be replaced by the highest-ranking company eligible on the reserve list (see rule 7.4) as at the close of the index calculation two days prior to the deletion.
- 12.3.13 Index constituent changes resulting from the split will be determined based on market values at close on the first day of trading of the spun-off company. The changes will be effective two days later. Consequently, the FTSE Eurotop 100 Index may have more than 100 companies for three days (or more if the spun-off company does not trade on effective date).

12.4 Suspension of dealing

Suspension of dealing rules can be found in the Corporate Actions and Events Guide.

Section 13

Changes to industry classification of constituents

13. Changes to industry classification of constituents

13.1 Industry classification structure⁵

- 13.1.1 The FTSE European Index Series constituents are classified into industries, supersectors, sectors and subsectors, as defined by the Industry Classification Benchmark (ICB).
- 13.1.2 Details of the ICB are available from FTSE Russell and published on the FTSE Russell website (<http://www.lseg.com/en/ftse-russell>) and can be accessed using the following link:
[Industry Classification Benchmark](#)

⁵ FTSE indices will migrate to the new ICB classification structure in March 2021.

Section 14

Indices algorithm and calculation method

14. Indices algorithm and calculation method

14.1 Prices

- 14.1.1 The FTSE European Index Series use actual trade prices, where available, for securities with local bourse quotations.
- 14.1.2 The FTSE European Index Series receive share prices and currency cross rates in real time. Prices are received from the relevant stock exchanges. Refinitiv cross-currency rates are used in the index calculation.

14.2 Calculation frequency

- 14.2.1 The FTSE European Index Series are published every 15 seconds during their opening hours, using last trade prices.

14.3 Algorithm

- 14.3.1 The actual trade price of constituent securities is converted into Euros and the indices are then calculated using the algorithm described below.

$$\sum_{i=1}^N \frac{(p_i \times e_i \times s_i \times f_i)}{d}$$

Where:

- $i=1,2,\dots,N$;
- N is the number of securities in the index;
- p_i is the latest trade price of the component security (or the price at the close of the index on the previous day);
- e_i is the exchange rate required to convert the security's currency into the index's base currency;
- s_i is the number of shares in issue used by FTSE Russell for the security as defined in these Ground Rules;
- f_i is the investability weighting factor to be applied to a security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. This factor is published by FTSE Russell for each security in the underlying index; and
- d is the divisor, a figure that represents the total issued share capital of the index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the index.

Appendix A

FTSE Eurotop Indices – classification, regions and countries

Economic groups		
Resources	Basic industries	General industries
Cyclical consumer goods	Non-cyclical consumer goods	Cyclical services
Non-cyclical services	Utilities	Financials
Information technology		
Countries		
Austria	Germany	Poland ⁶
Belgium/Luxembourg	Ireland	Portugal
Denmark	Italy	Spain
Finland	Netherlands	Sweden
France	Norway	Switzerland
		United Kingdom
Developed Eurozone		
Austria	Germany	Netherlands
Belgium/Luxembourg	Ireland	Portugal
Finland	Italy	Spain
France		

⁶ Poland was promoted from advanced emerging to developed country status from September 2018.

Appendix B

Index opening and closing hours

FTSE European Index Series

Real time	Open	Close
FTSE Eurotop 100	09:00	17:30
FTSE Euro 100	09:00	17:30
FTSE EuroMid	09:00	17:30
FTSE EuroMid ex UK	09:00	17:30
FTSE EuroMid Eurozone	09:00	17:30

All times are local Central European Time.

Appendix C

Treatment of dividends

Dividends, using their ex-dates, are used to calculate the total return indices in the FTSE European Index Series. All dividends are applied as declared in the FTSE Standard Total Return Indices.

A series of net of tax total return indices are also calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

Withholding tax rates used in the net-of-tax indices can be accessed using the following link:

[Withholding Tax Service](#)

Please also refer to the FTSE Russell Withholding Tax Guide, which can be accessed using the following link:

[FTSE Russell Withholding Tax Guide.pdf](#)

Appendix D

Status of indices

The FTSE European Index Series, which are calculated in real time.

The indices are calculated using trade prices from the relevant local European Bourses for all constituents during the hours of the official index period (see Appendix B).

For further details of real-time definitions please refer to the following guide:

[Real Time Status Definitions.pdf](#)

The official opening and closing hours of the FTSE European Index Series are set out in Appendix B. Variations to the official hours of the indices are published by FTSE Russell as appropriate.

On European bank holidays, the indices are calculated whenever at least one market is trading.

Appendix E

Further information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

Further information on the FTSE European Index Series is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at info@ftserussell.com.

Website: www.lseg.com/en/ftse-russell

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