Section 1

Introduction

1.0 Introduction

1.1 This document sets out the Ground Rules for the construction and management of the FTSE All-World ex Coal Index Series (the "Index Series"). Copies of these Ground Rules are available from FTSE International Limited (FTSE).

1.2 The FTSE All-World ex Coal Index Series is designed to represent the performance of companies in specific market segments of the FTSE All-World Index after the exclusion of companies that have certain exposure to coal mining or general mining.

1.3 The FTSE All-World ex Coal Index Series takes account of ESG factors in its index design. Please see further details in Section 4 and 5.

1.4 The indexes that are currently calculated are listed in Appendix A. Further indexes may be calculated as determined from time to time.

1.5 These Ground Rules should be read in conjunction with the FTSE Global Equity Index Series Ground Rules. These rules are available from FTSE Russell (see Appendix D) or directly from the website www.ftserussell.com.

1.6 The indexes listed in Appendix A are currently calculated and published in US Dollars. The indexes may also be calculated in other currencies.

1.7 Price, Total Return and Net of Tax Indexes will be available. The Total Return and Net of Tax Indexes include income based on ex dividend adjustments.

1.8 The indexes listed in Appendix A may be calculated in real time.

1.9 FTSE Russell


1.10 FTSE Russell hereby notifies users of the index series that it is possible that factors, including external factors 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.
1.11 Index users who choose to follow this Index Series or to buy products that claim to follow this Index Series 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, and/or
- any errors or inaccuracies in these Ground Rules, and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
- any errors or inaccuracies in the compilation or any constituent data in the index series.
Section 2

Management Responsibilities

2.0 Management Responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.1

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 of the index series 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;
- disseminate the indexes.

2.1.3 FTSE is also responsible for monitoring the performance of the Index Series throughout the day and will determine whether the status of each index should be ‘firm’, ‘indicative’ or ‘held’ (when calculated in real-time).

2.1.4 FTSE is responsible for maintaining the list of Excluded Companies (see Rule 4.4). The list of Excluded Companies is available on request and will also be published on www.ftserussell.com.

2.2 Amendments to These Ground Rules

2.2.1 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 Product Governance Board before approval is granted.

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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).
Section 3

FTSE Russell Index Policies

3.0 FTSE Russell Index Policies
3.1 These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below:

3.2 FTSE Global Equity Index Guide to Calculation Methods
   The aim of the guide is to describe how the indexes are calculated, to facilitate users replication of the indexes in order to support their investment and trading activities and to assist users in understanding the factors which influence the performance of the indexes.
   [Link to FTSE Global Equity Index Series Guide to Calc.pdf]

3.3 Corporate Actions and Events Guide
3.3.1 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:
   [Link to Corporate Actions and Events Guide.pdf]

3.4 Queries and Complaints
   FTSE Russell’s complaints procedure can be accessed using the following link:
   [Link to Benchmark Determination Complaints Handling Policy.pdf]

3.5 Index Policy for Trading Halts and Market Closures
3.5.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:
   [Link to Index Policy for Trading Halts and Market Closures.pdf]

3.6 Index Policy in the Event Clients are Unable to Trade a Market
3.6.1 Details of FTSE Russell’s treatment can be accessed using the following link:
   [Link to Index Policy in the Event Clients are Unable to Trade a Market.pdf]

3.7 Recalculation Policy and Guidelines
3.7.1 The FTSE All-World ex Coal Index Series are recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE All-World ex Coal Index Series are 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.

Index Recalculation Policy and Guidelines Equity Indexes.pdf

3.8 Policy for Benchmark Methodology Changes

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

Policy for Benchmark Methodology Changes.pdf
Section 4

Eligible Securities

4.0 Eligible Securities

4.1 Companies are eligible for inclusion in the FTSE All-World ex Coal Index Series if they are current constituents of the FTSE All-World Index Series², subject to the selection criteria in Rule 4.2.

4.2 All companies that are classified as “Excluded Companies” (see Rule 4.4) are excluded from the Index Series.

4.3 Unless stated otherwise these Ground Rules follow the Ground Rules of the FTSE Global Equity Index Series which are available from FTSE Russell or directly from the website www.ftserussell.com.

4.4 Excluded Companies

An Excluded Company is one whose business activity is identified by the Standard Industrial Classification³ (SIC) System.

A company is categorised as an Excluded Company if it either has:

- revenues arising from Bituminous Coal and Lignite Surface Mining (SIC code: 1221), Bituminous Coal Underground Mining (SIC code: 1222), and Anthracite Mining (SIC code: 1231) based on the company’s most recent published Annual Report and Accounts; or

- proved & probable reserves in coal based on the company's most recent published Annual Report and Accounts.

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² Saudi Arabia was assigned Secondary Emerging market status in March 2019. Securities will be eligible for inclusion in the FTSE All-World ex Coal Index Series from September 2019.

³ China A Shares (available under the Northbound China Stock Connect Scheme) was assigned Secondary Emerging market status beginning in June 2019. Securities will be eligible for inclusion in the FTSE All-World ex Coal Index Series from September 2019.

Section 5

Sustainable Investment Data Inputs

5.0 SI Data Inputs

The following Sustainable Investment datasets are used in the construction of the FTSE ex Coal Index Series.

5.1 Product activity screening for index exclusions

5.1.1 Product and activity involvement data are collected from publicly available information by FTSE Russell analysts.

5.2 All data undergo several layers of quality control including consistency checks over time, sector-relative checks, and knowledge checks. Where discrepancies are found analysts refer to primary data sources.

5.3 Further information as to the definitions can be found in Section 4.

5.3.1 Further details on the use of FTSE Sustainable Investment data can be found in the following guide:

Guide to FTSE Sustainable Investment Data used in FTSE Russell Indexes.pdf
Section 6

**Periodic Review of Constituents**

6.0 **Periodic Review of Constituents**

6.1 The Index Series will be reviewed in accordance with the FTSE Global Equity Index Series Ground Rules.

6.2 The list of Excluded Companies will be reviewed semi-annually in March and September using revenue and reserves data at the close of business on the Friday 4 weeks prior to the review effective date.
Section 7

Changes to Constituent Companies

7.0 Changes to Constituent Companies

7.1 Additions Outside of a Review

7.1.1 Fast Entrants to the FTSE All-World Index will be eligible for inclusion in the Index Series and reviewed at the next semi-annual review.

7.1.2 If a constituent of the Index Series has a corporate action that involves a spin-off, the newly spun-off entity will be included in the Index Series if it remains a constituent of the FTSE All-World Index. The eligibility of the spun-off company for inclusion in the Index Series after the next semi-annual review will be assessed at that semi-annual review.

7.2 Deletions

7.2.1 If a constituent is removed from the FTSE All-World Index, it will be removed from the Index Series. The removal will be concurrent with the removal of the stock from the FTSE All-World Index. Intra-review deletions will not be replaced.

7.3 Mergers and Take-overs

7.3.1 If a constituent of the Index Series has a corporate action that involves a merger or takeover, the resulting company will be included in the Index Series if it remains a constituent of the FTSE All-World Index. The eligibility of the resulting company for inclusion in the Index Series after the next semi-annual review will be assessed at that semi-annual review.

7.4 Suspension of Dealing

7.4.1 The Index Series will treat suspension of dealing in line with the FTSE All-World Index.

7.5 Relisting of Suspended Constituents

7.5.1 The Index Series will treat the relisting of suspended constituents in line with the FTSE All-World Index.
Section 8

Changes to Constituent Weightings

8.0 Changes to Constituent Weightings

8.1 The index Series will treat changes to constituent weightings in line with the FTSE All-World Index.
Section 9

Indexes Algorithm and Calculation Method

9.0 Indexes Algorithm and Calculation Method

9.1 Prices

9.1.1 The Index Series use actual trade prices for securities with local stock exchange quotations. WM/Reuters Closing Spot Rates™, collected at 16:00 UK time are used in the index calculation.

9.2 Calculation Frequency

9.2.1 The Index Series are published every minute during the Official Index Period, using last trade prices.

9.3 Algorithm

9.3.1 For details on the Algorithm and calculation methods used please refer to the FTSE Global Equity Index Series see the FTSE Global Equity Index Series Guide to Calculation Methods which can be accessed using the following link:

FTSE_Global_Equity_Index_Series_Guide_to_Calc.pdf
Appendix A: Calculated Indexes and Underlying Components

<table>
<thead>
<tr>
<th>Calculated Index</th>
<th>Market Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE All-World ex Coal Index</td>
<td>FTSE All-World</td>
</tr>
<tr>
<td>FTSE Developed ex Coal Index</td>
<td>FTSE All-World Developed</td>
</tr>
<tr>
<td>FTSE North America ex Coal Index</td>
<td>FTSE All-World Developed North America</td>
</tr>
<tr>
<td>FTSE Developed ex North America ex Coal Index</td>
<td>FTSE All-World Developed ex North America</td>
</tr>
<tr>
<td>FTSE Emerging ex Coal Index</td>
<td>FTSE All-World Emerging</td>
</tr>
</tbody>
</table>
Appendix B: Index Series Opening and Closing Hours

<table>
<thead>
<tr>
<th>Index</th>
<th>Open</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE All World ex Coal Index Series</td>
<td>00:30</td>
<td>21:10</td>
</tr>
</tbody>
</table>

Times are UK hours.

Indexes that disseminate until 21:10 will have the closing value disseminated at 21:30.

The Index Series is calculated on public holidays whenever at least one exchange is trading. The indexes will not be calculated on 1 January.
Appendix C: Status of Indexes

The FTSE All-World ex Coal Index Series may be calculated in real time and, if so, may exist in the following states:

A. **Firm**
   
   The indexes are being calculated using trade prices from the relevant local stock exchanges for all constituents during the hours of the official index period (see Appendix C).
   
   The Official Closing Index values for the Index Series are the last index values calculated at the end of the firm period.

B. **Closed**
   
   When the index has ceased all calculations for the day, the message 'CLOSED' is displayed against the index value.

C. **Held**
   
   During the firm period, an index within the Index Series has exceeded pre-set operating parameters and calculation has been suspended pending resolution of the problem. The message 'HELD' is displayed against the last index value calculated.

D. **Indicative**
   
   If there is a system problem or a situation in the market that is judged to be affecting the quality of the constituent prices at any time when the index is being calculated, the Index Series will be declared indicative. The message 'IND' will be displayed against the index value.

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

The FTSE All-World ex Coal Index Series follows the FTSE Global Equity Index Series calculation calendar.
Appendix D: Further Information

A Glossary of Terms used in FTSE Russell’s Ground Rule documents can be found using the following link
Glossary.pdf

For further information on the FTSE All-World ex Coal Index Ground Rules visit www.ftserussell.com or e-mail info@ftserussell.com. Contact details can also be found on this website.

Website: www.ftserussell.com


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