



**GROUND RULES FOR THE  
MANAGEMENT OF THE  
BBC GLOBAL 30 INDEX**

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## SECTION 1

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### 1.0 INTRODUCTION

- 1.1 This paper sets out the Ground Rules for the management of the BBC Global 30 Index, calculated by FTSE. Copies of these Ground Rules are available from FTSE (see Appendix D).
- 1.2 The BBC Global 30 Index is designed to represent the performance of a simple, highly diversified selection of global stocks providing a business indicator of interest to listeners, viewers and web users of the BBC.
- 1.3 The index is calculated and published in sterling.
- 1.4 The BBC Global 30 Index is calculated in real-time during the hours of calculation (see Appendix B).
- 1.5 The BBC Global 30 Index is a Capital index.

## SECTION 2

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### 2.0 INDEX MANAGEMENT

- 2.1 The BBC Global 30 Index is managed by the FTSE Index Review Board.
- 2.2 The FTSE Index Review Board undertakes the reviews of the BBC Global 30 Index, and ensures that constituent changes and index calculations are made in accordance with the Ground Rules.
- 2.3 FTSE is responsible for the calculation of the BBC Global 30 Index. FTSE will maintain records of the market capitalisation of all constituents and will make changes to the constituents and their weightings in accordance with the Ground Rules.
- 2.4 The BBC Global 30 Index will be reviewed annually in June.
- 2.5 FTSE is also responsible for monitoring the performance of the BBC Global 30 Index throughout the day and will determine whether the status of each index should be 'firm', 'indicative', 'held' or 'part'. FTSE will inform the FTSE Index Review Board of the reasons for all such occasions at the next regular meeting.

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## SECTION 3

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### 3.0 STATUS OF INDEX

3.1 The BBC Global 30 Index is calculated in real-time and may exist in the following states:

a) **Firm**

The index is being calculated using trade prices from the relevant local stock exchanges for all constituents during the hours of the Official Index Period (see Appendix A).

The Official Closing Index for the BBC Global 30 Index is the last index value 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, the index 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 will be declared indicative. The message '**IND**' will be displayed against the index value.

e) **Part**

If the index is being calculated during the normal Official Index Period hours, but there are less than 75% of the constituents by capitalisation available with firm prices, then the index will be displayed with the message '**PART**' to indicate that only a proportion of the securities prices are included. With the exception of the message '**PART**', the index will continue to be calculated and displayed as if it were firm.

3.2 The official opening and closing hours of the BBC Global 30 Index are set out in Appendix A. Variations to the official hours of the indices are published by FTSE as appropriate.

3.3 The BBC Global 30 Index is calculated every weekday, when one or more of the constituent markets are open, however on January 1st, the index may not be disseminated.

## SECTION 4

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### **4.0 ELIGIBLE SECURITIES**

- 4.1 Only constituent securities of the FTSE Global Equity Index Series Developed Index are eligible for the BBC Global 30 Index.
- 4.2 The entire quoted equity capital of a constituent company is included in the calculation of a company's ranking.
- 4.3 Constituents are adjusted for free float as per the ground rules of the FTSE Global Equity Index Series. The free float weighting for each constituent security will be the same as that applied in the FTSE Global Equity Index Series.

## SECTION 5

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### 5.0 INDEX QUALIFICATION CRITERIA

- 5.1 The BBC Global 30 Index is comprised of ten companies selected from each of the following three regional indices:

FTSE Developed Americas Index  
FTSE Developed Asia-Pacific Index  
FTSE Developed Europe, Middle East and Africa Index

The ten companies selected are the largest company by full market capitalisation from each of the ten Industry Classification Benchmark (ICB) Industries within the three regional indices.

- 5.2 Where a company has more than one constituent security in FTSE Global Equity Index Series, these securities will be treated as one for the purposes of index management.

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## SECTION 6

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### 6.0 REVIEW OF CONSTITUENTS

#### 6.1 General

- 6.1.1 The rules for adding and deleting companies at the annual review are designed to ensure that the constituents continue to be representative of the concept underlying the BBC Global 30 Index, by including the largest company in each ICB Industry from the relevant regional index.
- 6.1.2 The treatment of multiple securities of the same company will at all times be the same as that used in the FTSE Global Equity Index Series.

#### 6.2 Review Dates

- 6.2.1 The BBC Global 30 Index is reviewed annually in June, at the same time as the FTSE Global Equity Index Series quarterly review.
- 6.2.2 The data on which the annual review is undertaken will be from the close of the business on the third Friday in May.
- 6.2.3 Changes arising from the annual review will be implemented after the close of business on the third Friday in June, at the same time as the FTSE Global Equity Index Series quarterly review changes.

#### 6.3 Responsibilities and Reporting

- 6.3.1 FTSE is responsible for conducting the annual review of constituents for the BBC Global 30 Index and will recommend to the FTSE Index Review Board any constituents to be added or deleted as part of the annual review.

#### 6.4 Rules for Addition and Deletion at the Annual Review

- 6.4.1 The constituents of the BBC Global 30 Index are determined using the following methodology:
- 6.4.2 For each of the three regional indices:
  - a) List the constituent securities of the relevant index.
  - b) Separate the constituent securities from each ICB Industry.
  - c) Combine the capitalisation of multiple securities of the same company for the purposes of ranking.
  - d) Rank the companies from each economic group in reverse order of full market capitalisation.
  - e) Select the largest company by full market capitalisation from each ICB Industry.
  - f) Repeat for the remaining regional indices.

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## SECTION 7

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### 7.0 CHANGES TO CONSTITUENT COMPANIES

#### 7.1 General

7.1.1 The BBC Global 30 Index will at all times comprise one company from each ICB Industry within the three regional indices.

#### 7.2 Removal

7.2.1 A constituent company will cease to be a constituent of the BBC Global 30 Index if it is removed from the underlying FTSE Global Equity Index Series.

7.2.2 If an index constituent company is removed from the index, the largest non-constituent company for that regional index and from the same ICB Industry is added to the index, in accordance with Rule 7.2.3. The new constituent company will be added to the index at the same time that the existing index constituent is removed.

7.2.3 The relevant regional index will be re-ranked by full market cap using closing prices two days prior to the implementation of the change, and the largest stock from the relevant ICB Industry will be selected for replacement in the index.

#### 7.3 Additions and New Issues

7.3.1 A security will only be eligible to be added to the index if it is eligible in all respects at the annual review.

7.3.2 New issues will be eligible for inclusion in the index at the index annual review following their issue, if they meet the eligibility requirements in all other respects.

#### 7.4 Mergers, Restructuring and Complex Takeovers

7.4.1 If the effect of a merger or takeover is that one constituent company is absorbed by another, the resulting company will remain a constituent of the index and a vacancy will be created. This vacancy will be filled by the largest eligible non-constituent company by full market capitalisation from the relevant regional index and ICB Industry at the time of the event (see Rule 7.1.1). The removal and replacement of these companies will be simultaneous.

7.4.2 If a constituent company is taken over by an eligible non-constituent company, and the resulting company remains within the same ICB Industry as the original constituent, the original constituent will be removed and replaced by the merged entity. In the event that the merged entity is ineligible for the index or is classified within a different ICB Industry, it will be replaced by the largest eligible non-constituent company by full market capitalisation from the relevant regional index and ICB Industry at the time of the event (see Rule 7.1.1). The removal and replacement of these companies will be simultaneous.

7.4.3 If a constituent is split so as to form two or more companies, the ICB Industry classification of the new companies will be assessed. If one or more of the companies retains the original ICB Industry classification, the largest company will be retained within the index and the others removed. If none of the new companies retains the original ICB Industry Classification, all the new companies will be removed and a vacancy will be created. This vacancy will be filled by the largest eligible non-constituent company by full market capitalisation from the relevant regional index and ICB Industry at the time of the event (see Rule 7.1.1). The removal and replacement of these companies will be simultaneous.

## SECTION 7

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7.4.4 If the FTSE Index Review Board decides to include a new issue as a constituent security other than as part of the normal annual review procedure, this decision must be publicly announced at the earliest practicable time.

### 7.5 **Changes to a Company's Classification or Regional Index**

7.5.1 Where an existing constituent's ICB industry classification is changed, that company will be removed from the BBC Global 30 Index, and replaced by the largest company (by full market capitalisation) in the same region and same industry group, at that date.

7.5.2 Where an existing constituent is removed from its regional index, that company will be removed from the BBC Global 30 Index, and replaced by the largest company (by full market capitalisation) in the same region and same industry group, at that date.

## SECTION 8

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### 8.0 CHANGES TO CONSTITUENT WEIGHTINGS

- 8.1 For the purposes of computing the BBC Global 30 Index, the number of shares in issue for each constituent security will be the same as that used for the FTSE Global Equity Index Series.
- 8.2 All adjustments are made before the start of the index calculation on the day concerned, unless market conditions prevent this.

## SECTION 9

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### 9.0 AMENDMENTS TO THE GROUND RULES

- 9.1 In the event that the FTSE Index Review Board or any of those responsible for the operation and administration of the BBC Global 30 Index consider that an exception should be made to any of the Ground Rules, the issue must be brought to the attention of the Chairman or Deputy Chairman (or their deputies) of the FTSE Index Review Board, who will normally put the matter to the full FTSE Index Review Board for a decision. If, however, the matter is urgent, the Chairman and Deputy Chairman (or their deputies) are collectively empowered to authorise an exception on behalf of the FTSE Index Review Board but must immediately notify, and subsequently refer the matter to, a meeting of the FTSE Index Review Board. Where an exception is granted to the Ground Rules, it shall not be deemed to create a precedent for future decisions of the FTSE Index Review Board.

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## SECTION 10

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### 10.0 INDEX ALGORITHM AND CALCULATION METHOD

#### 10.1 Prices

10.1.1 The BBC Global 30 Index uses actual trade prices for securities with local stock exchange quotations. Reuters real-time spot currency rates are used in the index calculation.

10.1.2 The BBC Global 30 Index uses real-time share prices and currency spot rates.

#### 10.2 Algorithm

10.2.1 The BBC Global 30 Index is 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 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 for each security in the underlying index.
- $d$  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.

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## APPENDIX A

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### INDEX OPENING AND CLOSING HOURS

<b>Index</b>	<b>OPEN</b>	<b>CLOSE</b>
BBC Global 30 Index	00.30	21:10*

Notes:

Closing values will be disseminated at 21:30.

All times are UK Time.

\*Or after the close of US equity markets, whichever is later.

## **APPENDIX B**

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### **ELIGIBLE MARKETS**

#### **FTSE Developed Americas Index**

Canada  
USA

#### **FTSE Developed Asia-Pacific Index**

Australia  
Hong Kong  
Japan  
New Zealand  
Singapore  
South Korea

#### **FTSE Developed Europe, Middle East and Africa Index**

Austria  
Belgium / Luxembourg  
Denmark  
Finland  
France  
Germany  
Greece  
Ireland  
Israel  
Italy  
Netherlands  
Norway  
Portugal  
Spain  
Sweden  
Switzerland  
UK

## APPENDIX C

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### FURTHER INFORMATION

Further information on the BBC Global 30 Index is available from FTSE, who also welcomes comments on these Ground Rules and on the index.

**Website:** [www.ftse.com](http://www.ftse.com)

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