Ground Rules

April 2026

Determining Nationality

v2.5

This document applies to any Index Series where specifically referenced in the Ground Rules.

FTSE RUSSELL
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Determining nationality

1. Determining nationality

1.1 A company will be allocated to a single country.

1.2 If a company is incorporated in one country and has its sole listing in the same country, FTSE will allocate the company to that country.

1.3 In all other circumstances, FTSE may base its decision on assessment of various factors including, but not necessarily limited to, the following:

- The investor protection regulations present in the country of incorporation;
- The country in which the company is domiciled for tax purposes;
- The location of its factors of production;
- The location of its headquarters;
- The location of company meetings;
- The composition of its shareholder base;
- The membership of its board of directors;
- The currency denomination of the company's shares;
- The perception of investors.

1.4 If a company is incorporated in a country, has a listing in that country and listings in other countries, FTSE will normally assign the company to the country of incorporation* if the listing in the country of incorporation passes the liquidity test**. If the company fails FTSE's liquidity test in the country of incorporation, FTSE may assign the company to the country which exhibits the greatest liquidity, contingent on the circumstances set out in Rule 1.6. Once a company has been assigned the nationality of its most liquid listing after failing in the location of incorporation, it will remain assigned to that nationality until either 1) the listing in the location of incorporation passes the liquidity test; or 2) another listing location exhibits greater liquidity for two consecutive years.

Please note:

*Companies which would otherwise be assigned to the country where it is both incorporated and listed, but that meet the criteria within the Guide to Chinese Share Classes document, will be assigned a China nationality in accordance with the Guide to Chinese Share Classes.

** With the exception of companies assigned a Mexican nationality, for purposes of the liquidity test, security volume data will only be taken from the eligible regulated exchange of listing being assessed. Amalgamated trading volume from all trading venues within that country will not be used.

For illustration purposes: company A is listed on NYSE; however, shares can also be traded on NASDAQ and other regional exchanges. Only security volume data sourced from the NYSE listing will be used for the purposes of the liquidity test.

Companies with a Mexican nationality assignment will have their liquidity calculated using amalgamated volume data sourced from both Bolsa Mexicana de Valores and Bolsa Institucional de Valores (BIVA).

1.5 If a company is incorporated in a country and is listed only in countries other than the country of incorporation, FTSE will normally allocate the company to the country with the greatest liquidity, contingent on the circumstances set out in Rule 1.6.

1.6 For a company to be eligible for a Developed market nationaity assignment, it must be incorporated in either:

- A country classified as either Developed, Emerging or Frontier (as per FTSE Country Classification of Equity Markets) or;
- The country of incorporation is one of:
  - An autonomous, overseas, or unincorporated territory of a developed country.
  - A constituent country/region or a crown dependency of a developed country.
  - One of the Freely Associated States of the United States of America or New Zealand.

  These include (but are not limited to) the jurisdictions of:

  Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Curacao, Faroe Islands, Gibraltar, Greenland, Guam, Guernsey, Isle of Man, Jersey, Marshall Islands, Puerto Rico, and Reunion.

  Also considered as eligible places of incorporation are Liechtenstein and Monaco, which exhibit close economic or governmental ties to Switzerland and France respectively.

  Companies which are considered domestic issuers in the US (e.g. they file 10-K annual reports), will also be eligible for a US nationality assignment, regardless of their location of incorporation.

  For companies incorporated in the jurisdictions mentioned above, FTSE will normally assign the company to the country with the greatest liquidity.

  For the avoidance of doubt:

  - For an Emerging or Frontier nationality assignment there are no restrictions as to the location of the country of incorporation.
  - Companies incorporated in China will be assigned nationality in accordance with the Guide to Chinese Share Classes guidelines.

1.7 Once a company's nationality has been determined by virtue of the liquidity tests in Rule 1.5, if it subsequently fails the semi-annual index liquidity test within the country it has been assigned to or if the country with greatest liquidity is different to that assigned for two consecutive years, FTSE will review the company's nationality assignment.

1.8 Should a company change the location of its sole eligible listing, the nationality of the company will be re-assessed at the time of the event and implemented with a minimum T+2 notice.

1.9 Other than meeting the conditions of Rule 1.2, should a company make a change to its circumstances (such as a change in incorporation or adoption of an additional listing), FTSE may defer the consideration of whether to change a company's nationality assignment for a minimum period of three months up to a maximum period of up to 12 months, this will allow FTSE to properly assess the subsequent evolution of its trading liquidity and of the other criteria listed in Rule 1.3. If following such an assessment period, FTSE decides to change a company's nationality assignment, the change will become effective at a semi-annual review in March or September following publication of the decision.

1.10 Where a company's nationality has been determined as either UK or Australia, if the shares are traded in CDI form (Crest Depository Interest or Chess Depository Interest respectively), the CDI will be considered as eligible subject to meeting all other index eligibility criteria. Once included (and subject to continuing to pass all index eligibility criteria) , the CDI will remain in the index until it either fails the semi-annual index liquidity test or if the country with greatest liquidity is different to that assigned for two consecutive years, at which point FTSE will review the company's nationality assignment (in other words, CDIs will be treated the same as common shares for the purposes of assigning nationality).

1.11 China nationality will be assigned in accordance with the Guide to Chinese share Classes document. Please refer to the Guide to Chinese Share Classes for further details.

For the avoidance of doubt, companies that satisfy the criteria set out in the Guide to Chinese Share Classes for a China nationality, will be assigned a China nationality in precedence to any other nationality assignment as determined when following the above rules.

1.12 The nationality of Depositary Receipts (which satisfies the criteria for index inclusion in place of the underlying shares), will follow the nationality assigned to the underlying shares.

Further information

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