



INDEX METHODOLOGY

NASDAQ GLOBAL SEMICONDUCTOR INDEX

GSOX

INDEX DESCRIPTION

The Nasdaq Global Semiconductor Index is designed to measure the performance of the 80 largest semiconductor companies globally.

SECURITY ELIGIBILITY CRITERIA

Security universe

A security must be included in the Nasdaq Global Index (NQGI) as of the Index Reconstitution Effective Date. Please refer to NQGI's methodology for further information on its constituent selection.

Multiple classes of securities

One security per issuer is permitted. If an issuer has multiple securities, the security with the highest three-month average daily traded value generally is considered for inclusion in the Index. A current Index Security that meets all criteria for Index inclusion may remain in the Index even when another security issued by the same issuer has a higher average daily traded value.

Industry or sector eligibility

A security must be classified under the Semiconductors Subsector or Production Technology Equipment Subsector according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is licensed for this use.

Geographic eligibility

A security must be assigned within the Nasdaq Global Index Family to the United States or to a country classified under the Region of Asia Pacific or Europe.

Market capitalization eligibility

A security must have a market capitalization of at least \$150 million (USD).

Liquidity eligibility

A security must have a three-month average daily traded value of at least \$1 million (USD).

ESG eligibility criteria

A security issuer must not be involved in specific business activities, as defined in Appendix I and determined by Sustainalytics.

Other eligibility criteria

If, at reconstitution, Nasdaq becomes aware that an issuer or security will soon undergo a fundamental change that makes it ineligible, Nasdaq will remove the security from consideration. This includes entering into a definitive merger or acquisition agreement or other pending arrangement that would make it ineligible for Index inclusion, or a filing of bankruptcy or similar protection from creditors.

INDEX CALENDAR

Reconstitution schedule

The Index Reconstitution is conducted semi-annually in March and September.

Reconstitution reference dates

Unless otherwise specified, the Security Eligibility Criteria and Constituent Selection Process are applied using data as of the end of January and July, respectively.

Reconstitution announcement dates

Index Reconstitutions are announced in early March and September.

Reconstitution effective dates

Index Reconstitutions become effective at market open on the trading day following the third Friday in March and September.

Rebalance schedule

The Index is rebalanced quarterly in March, June, September and December.

Rebalance reference dates

The Index Rebalance is conducted using the Total Shares Outstanding ("TSO") and Last Sale Price ("LSP") of all Index Securities as of the prior month-end (February, May, August, and November respectively).

Rebalance announcement dates

Index Rebalance changes are announced in early March, June, September and December.

Rebalance effective dates

Index Rebalances become effective at market open on the trading day following the third Friday in March, June, September and December.

CONSTITUENT SELECTION

Constituent selection process

All securities meeting the applicable Eligibility Criteria are considered for inclusion in the Index. The 80 eligible securities with the largest market capitalizations are selected for inclusion in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified market capitalization-weighted index.

Constituent weighting process

Index Securities' initial weights are determined by dividing each Index Security's market capitalization by the aggregate market capitalization of all Index Securities.

Stage 1

Initial index weights are adjusted to meet the following Stage 1 constraint, producing the Stage 1 weights:

- No Index Security weight may exceed 8%.

Stage 2

Stage 1 weights are adjusted to meet the following Stage 2 constraints, producing the final weights:

- For Index Securities with the five largest market capitalizations, Stage 1 weights are maintained.
- For all other Index Securities, no weight may exceed 4%.

The final weights meet the following constraints:

- No Index Security weight may exceed 8% of the index; five may exceed 4%.

For additional information about index weighting, see **Nasdaq Index Weight Calculations**.

INDEX MAINTENANCE

Deletion policy

If, at any time other than an Index Reconstitution, Nasdaq determines that an Index Security has or will undergo a fundamental alteration that would make it ineligible for Index inclusion, the Index Security is removed as soon as practicable. Such alterations may include merger, acquisition, or other major corporate event that would otherwise adversely impact the integrity of the Index.

Corporate actions

In the periods between scheduled index reconstitution and rebalancing events, individual Index securities may be the subject to a variety of corporate actions and events that require maintenance and adjustments to the Index. Specific treatment of each type of corporate action or event is described in **Nasdaq Corporate Actions and Events Manual – Equities**, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the “Non-Market Cap Corporate Action Method.”

Index share adjustments

Other than as a direct result of corporate actions, the index does not normally experience share adjustments between scheduled index rebalance and reconstitution events.

ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at <http://indexes.nasdaqomx.com>.

For more information on the general Index Announcement procedures, please refer to the **Nasdaq Index Methodology Guide**.

Holiday schedules

The Indexes are calculated Monday through Friday, except on days when the Nasdaq US exchange is closed.

Unexpected market closures

For information on Unexpected Market Closures, please refer to the **Nasdaq Index Methodology Guide**.

Calculation types

For information on the Index calculation types as well as the mathematical approach used to calculate the Index(es), please refer to the **Calculation Manual – Equities & Commodities**.

Recalculation and restatement policy

For information on the Recalculation and Restatement Policy, please refer to the **Nasdaq Index Recalculation Policy**.

Data sources

For information on data sources, please refer to the **Nasdaq Index Methodology Guide**.

Contact information

For any questions regarding an Index, please contact the Nasdaq Index Client Services team at indexservices@nasdaq.com.

Index dissemination

Index values and weightings information are available through Nasdaq Global Index Watch (GIW) website at <https://indexes.nasdaqomx.com/> as well as the Nasdaq Global Index FlexFile Delivery Service (GIFFD) and Global Index Dissemination Services (GIDS). Similar to the GIDS offerings, Genium Consolidated Feed (GCF) provides real-time Index values and weightings for the Nordic Indexes.

For more detailed information regarding Index Dissemination, see the **Nasdaq Index Methodology Guide**.

Index calculation and dissemination schedule

The index is calculated during the trading day and is disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the indexes may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

Website

For further information, please refer to Nasdaq GIW website at <https://indexes.nasdaqomx.com/>.

FTP and dissemination service

Index values and weightings are available via FTP on the Nasdaq Global Indexes FlexFile Delivery Service (GIFFD). Index values are available via Nasdaq's Global Index Dissemination Services (GIDS).

GOVERNANCE

Index governance

All Nasdaq Indexes follow the same governance structure. For a detailed list of this information, please see the **Nasdaq Index Methodology Guide**.

Nasdaq Index Management Committee

The Nasdaq Index Management Committee approves all new Index Methodologies. This committee is comprised of full-time professional members of Nasdaq. The committee meets regularly, and reviews items including, but not limited to, pending corporate actions that may affect Index constituents, statistics comparing the composition of the indexes to the market, companies that are being considered as candidates for addition to an Index, and any significant market events.

For a detailed overview of the Index Management Committee, please see the **Nasdaq Index Methodology Guide**.

Internal reviews of methodology

For a detailed description on internal reviews of the Methodology, please see the **Nasdaq Index Methodology Guide**.

Communication with stakeholders and consultations

For a detailed description on Consultations and Communications with Stakeholders, please see the **Nasdaq Index Methodology Guide**.

Index cessation

Nasdaq has a documented procedure that is followed for Index Cessation that includes termination/retirement of an Index or Index Family.

For more information, please refer to the **Nasdaq Index Cessation Policy**.

Discretionary adjustment

This Index Methodology was created by Nasdaq to achieve the aforementioned objective of measuring the underlying purpose of each Index governed by this methodology document. Any deviations from this methodology are made in the sole judgment and discretion of Nasdaq so that the Index continues to achieve its objective.

For more information on potential adjustments including Calculation and Pricing Disruptions, Expert Judgment, and Unexpected Reconstitution/Rebalances, please refer to the **Nasdaq Index Methodology Guide**.

GLOSSARY OF TERMS AS USED IN THIS DOCUMENT

For the glossary of key terms, please refer to the **Nasdaq Index Methodology Guide**.

APPENDIX I

At each semi-annual reconstitution, companies engaged in the following business activities, as determined by Sustainalytics, are excluded from the eligible universe.

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range
Controversial Weapons: Tailor-made and essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	No involvement	n/a
Controversial Weapons: Significant ownership - Tailor-made and essential	The company is involved, through corporate ownership, in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	n/a	0%
Thermal Coal: Extraction	The company extracts thermal coal.	0-4.9% of revenues	n/a

Thermal Coal: Power Generation	The company generates electricity from thermal coal.	0-4.9% of revenues	n/a
Thermal Coal: Power Generation Capacity	The company maintains generating capacity from thermal coal.	0-4.9% of capacity	n/a

DISCLAIMER

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity, including but not limited to, quantitative inclusion criteria. Nasdaq may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the high quality of the index construction and calculation. Nasdaq does not guarantee that any Index accurately reflects future market performance.

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