



INDEX METHODOLOGY

NASDAQ CLEAN EDGE GREEN ENERGY EXCLUSIONS™ INDEX

CELSE™

INDEX DESCRIPTION

The Nasdaq Clean Edge Green Energy Exclusions Index is designed to track the performance of a set of companies that are classified by Clean Edge as manufacturers, developers, distributors and/or installers of clean-energy technologies.

SECURITY ELIGIBILITY CRITERIA

To qualify for Index inclusion, securities must meet the following Security Eligibility Criteria, which are applied as of the Reconstitution reference date, unless otherwise stated.

Index inclusion

The Index consists of a selection of securities in the Nasdaq Clean Edge Green Energy™ Index (CELS™) as of the Reconstitution effective date. Please refer to that methodology for further information on its constituent selection.

ESG Eligibility

A security's issuer must not be positively identified by Sustainalytics as exhibiting any of the following characteristics:

- Non-compliance with the United Nations Global Compact (UNGC) principles and related international norms and standards, such as the Organization for Economic Cooperation and Development (OECD) Guidelines and United Nations (UN) Guiding Principles (collectively referred to as "Global Compact Non-Compliance").
- A Controversy Rating higher than four (4).
- An ESG Risk Rating for 'Resource Use' above "Medium."
- An Event Rating higher than three (3) for the Events listed in Appendix A.

- Involvement in specific business activities, as defined in Appendix B.

Sustainalytics' ESG Risk Ratings issue – Resource Use – focuses on how efficiently a company uses its raw material inputs (excluding energy and petroleum-based products) in production and how it manages related risks.

If data from Sustainalytics is unavailable for a given security's issuer, the issuer remains eligible for Index inclusion, except in cases of Global Compact Non-Compliance or as otherwise specified by the treatment of unavailable data in Appendix B, in which case the security's issuer is deemed ineligible.

CONSTITUENT SELECTION

Constituent selection process

An Index Reconstitution is conducted semiannually based on the Reconstitution reference date.

Every security that meets the applicable Security Eligibility Criteria is included in the Index.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified market capitalization-weighted index.

Constituent weighting process

An Index Rebalance is conducted quarterly based on the Rebalance reference date.

CELSE employs a two-stage weight adjustment process.

Each Index Security's initial weight is determined by dividing the 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 CALENDAR

Reconstitution & Rebalancing schedule

The Index follows the same Reconstitution & Rebalancing schedule as Nasdaq Clean Edge Green Energy Index (CELS). Please refer to that methodology for further information.

Holiday schedule

The Index is calculated Monday through Friday, except on days when the Nasdaq Stock Market is closed.

Index calculation and dissemination schedule

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

INDEX MAINTENANCE

Deletion policy

If, at any time during the year other than the Index Reconstitution(s), an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, it is removed from the Index. This includes circumstances when an Index Security is determined to be ineligible for continued inclusion in the Index due to bankruptcy, delisting, or a definitive agreement that would likely result in the security no longer being Index eligible. Please refer to Nasdaq's **Corporate Actions and Events Manual – Equities** for detailed handling of the aforementioned event types.

Replacement policy

Index securities deleted at any time during the year other than the Index Reconstitution(s) are not replaced.

Corporate actions

In the interim periods between scheduled index reconstitution 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 "Market Cap Corporate Action Method."

Index share adjustments

Changes in the price and/or Index Shares driven by corporate events such as stock dividends, stock splits and certain spin-offs and rights issuances are adjusted on the ex-date.

For handling of changes in total shares outstanding (TSO) greater than 10% arising from other corporate events, please refer to Nasdaq's **Corporate Actions and Events Manual – Equities**.

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**.

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 and 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**.

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

All Nasdaq Indexes are managed by the governance committee structure and have transparent governance, oversight, and accountability procedures for the Index determination process. For further details on the Index Methodology and Governance overlay, 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 A: EVENT RATINGS ELIGIBILITY

At each reconstitution, companies with Event Ratings higher than three (3) for the following Events, as determined by Sustainalytics, are excluded from the eligible universe:

- Access to Basic Services
- Accounting and Taxation
- Bribery and Corruption
- Bribery and Corruption Supply Chain
- Employees – Human Rights
- Employees – Human Rights Supply Chain
- Land Use and Biodiversity
- Land use and Biodiversity Supply Chain
- Occupational Health and Safety
- Occupational Health and Safety Supply Chain
- Society – Human Rights
- Society – Human Rights Supply Chain

Event Ratings range from 1 to 5, with higher ratings indicating more severe impact on the environment and society, and the greater the business risk for the company. If there is no available data on the issuer's Events, the issuer remains eligible for Index inclusion.

APPENDIX B: PROHIBITED AREAS OF BUSINESS INVOLVEMENT

At each reconstitution, a security's issuer engaged in the following business activities, as determined by Sustainalytics, is deemed ineligible for Index inclusion if it does not meet the specified criteria in the table below. If there is no available data on the issuer's business activities, the issuer will be classified as either "Eligible" (remaining eligible for Index inclusion) or "Ineligible" (excluded from Index inclusion), as indicated in the "Treatment of Unavailable Data" section in the table below.

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range	Treatment of Unavailable Data
Adult Entertainment: Distribution	The company is involved in the distribution of adult entertainment materials.	<5% of revenues	n/a	Eligible
Adult Entertainment: Production	The company is involved in the production of adult entertainment and/or owns/operates adult entertainment establishments.	<5% of revenues	n/a	Eligible
Arctic Oil & Gas Exploration: Extraction	The company is involved in oil and gas exploration in Arctic regions.	<10% of revenues	n/a	Ineligible
Controversial Weapons: Evidence of Activity	The company is involved in activities with respect to controversial weapons.	No involvement	n/a	Ineligible
Oil & Gas: Generation	The company generates electricity from oil and/or gas.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Exploration and Production Natural Gas	The company is involved in gas exploration and/or production.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Exploration and Production Oil	The company is involved in oil exploration and/or production.	<10% of revenues	n/a	Ineligible

Category of Involvement	Description	Acceptable Involvement Range	Acceptable Ownership Range	Treatment of Unavailable Data
Oil & Gas: Production: Refining Natural Gas	The company is involved in gas refining.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Refining Oil	The company is involved in oil refining.	<10% of revenues	n/a	Ineligible
Oil & Gas: Production: Transportation and Storage Natural Gas	The company is involved in gas transportation and/or storage.	<50% of revenues	n/a	Ineligible
Oil & Gas: Production: Transportation and Storage Oil	The company is involved in oil transportation and/or storage.	<10% of revenues	n/a	Ineligible
Oil Sands: Extraction	The company extracts oil sands.	<5% of revenues	n/a	Ineligible
Thermal Coal: Overall	The company's total (aggregated) revenue percentage of involvement in all categories of Thermal Coal.	<1% of revenues	n/a	Ineligible
Tobacco: Production	The company manufactures tobacco products.	0% of revenues	n/a	Ineligible

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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