



INDEX METHODOLOGY

NASDAQ CLEAN EDGE GLOBAL GREEN INCOME INDEX

GGINC

INDEX DESCRIPTION

The Nasdaq Clean Edge Green Income Index is designed to track the performance of fifty companies within the global Green Economy that have a consistent history of offering dividends and exhibit the highest trailing-twelve-months dividend yield.

SECURITY ELIGIBILITY CRITERIA

Security types

A security must be classified as common stock, ordinary share, Real Estate Investment Trust (REIT), or limited partnership interest. Chinese A-Shares are not considered eligible.

Multiple securities per issuer

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, only the security with the highest three-month average daily traded value may be eligible.

Listing exchanges

A security must be listed on an exchange named in **Nasdaq Eligible Exchanges**.

Industries and sectors

A security's issuer must be classified by Clean Edge as a Green Economy company, specifically as belonging to one of either Electric Utilities, Water Utilities, Sustainable Infrastructure Developers & Technology Providers, Waste Management, Yieldcos, Investment Trusts and Similar Vehicles, Real Estate Investment Trusts (REITs) or Technology Providers. The classifications are defined as follows:

Electric Utilities - Electric utilities have activities in power generation and/or transmission and distribution ("T&D"). Companies meeting the following requirements qualify for the universe.

- Power-producing utilities must derive at least 50% of revenue from renewable sources, which we define as wind, solar, hydro and geothermal energies. In the instances in which revenue is not clearly delineated, reported power produced (watt-hours) from renewable sources must be greater than 50% of electrical generation.
- T&D utilities must derive at least 50% of revenue from the transmission and distribution of electricity from renewable and non-emitting sources (e.g., existing nuclear power plants).
- Utilities with both power-producing and T&D activities must derive at least 50% of combined revenues/generation from renewable and/or non-emitting sources according to the definitions described above.

Water Utilities - Water utilities that derive 50% or more of their revenue and/or operating profit from water and/or wastewater activities qualify for the universe. Utilities with multiple business units and revenue streams (such as water and electricity), must demonstrate substantial exposure to water and wastewater activities according to Clean Edge.

Sustainable Infrastructure Developers & Technology Providers - Sustainable infrastructure developers building and installing systems and facilities for clean electricity, water, energy efficiency, electrification, climate-adaptive agriculture, and low-carbon/zero-energy buildings qualify for the universe.

Developers must receive a majority (50% or more) of their revenue from one or more of the above sectors, "or," in the case where a constituent has multiple business units and revenue streams, have substantial exposure to clean electricity, water, energy efficiency, electrification, climate-adaptive agriculture, and/or low-carbon/zero-energy buildings according to Clean Edge.

Waste Management - Waste management companies qualify for the universe. 50% of revenue must result from activities in collecting trash and recyclable waste from homes and businesses; operating materials recovery facilities; operating organics processing facilities; and/or operating landfills where, in many cases, the gas generated by decomposing waste is processed into renewable energy.

Yieldcos, Investment Trusts and Similar Vehicles - Yieldcos, investment trusts, and/or similar vehicles that derive at least 50% of revenue from one or more activities in clean energy, energy efficiency, green buildings, advanced grid & electrification, low-carbon agriculture, water, waste management, and other green/sustainable infrastructure markets qualify for the universe.

Real Estate Investment Trusts (REITs) - To qualify for the universe, REITs must have an Environmental Score of 70 or greater per the Sustainability Accounting Standards Board (SASB) sustainability dimensions and a distinction from at least one of the following assessments:

- Selection for Energy Star Partner of the Year
- Energy Star Sustained Excellence Status (both of the preceding from the US Environmental Protection Agency)
- Use of clean energy (90% or more of portfolio operations) according to the RE100
- A top rating from GRESB for environmental sustainability (a Netherlands-based research foundation focused on real assets)

Technology Providers - Technology providers in clean energy, energy efficiency, green buildings, advanced grid & electrification, low-carbon agriculture, water, waste management, and other green/sustainable infrastructure markets qualify for the universe.

Technology providers must receive a majority (50% or more) of their revenue from one or more of the above sectors, "or," in the case where a constituent has multiple business units and revenue streams, have substantial exposure to clean energy, energy efficiency, green buildings, advanced grid & electrification, low-carbon agriculture, water, waste management, and/or green/sustainable infrastructure markets according to Clean Edge.

Market capitalization

A security not in the Index as of the Reconstitution Reference Date must have a free float market capitalization of at least \$500 million (USD).

A security in the Index as of the Reconstitution Reference Date must have a free float market capitalization of at least \$400 million (USD).

Liquidity

A security not in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least \$1 million (USD).

A security in the Index as of the Reconstitution Reference Date must have a three-month average daily traded value of at least \$800 thousand (USD).

Seasoning

A security must have been traded on an index-eligible exchange at least three months prior to the Reconstitution Reference Date.

Other eligibility criteria

A security must have at least three consecutive years of non-zero annual regular dividends* based on the ex-dividend date.

A security must have at least one regular dividend payment based on the ex-dividend date within the trailing twelve months leading up to and including the Rebalance Reference Date.

Based on the trailing twelve months, the security's issuer must have positive Net Income. In case of a Real Estate Investment Trust (REIT), the issuer must have positive Funds From Operations (FFO).

Based on the trailing twelve months, an issuer's Dividend Pay Out Ratio must be less or equal to 100%. The Dividend Pay Out Ratio is defined as Cash Dividends Paid divided by Net Income. For REITs, the Dividend Pay Out Ratio is defined as Cash Dividends Paid divided by FFO.

*Regular dividend payments are defined as:

- 1st Interim
- 2nd Interim
- 3rd Interim
- 4th Interim
- 5th Interim

- Distribution
- Final
- Income
- Interim
- Pro Rata
- Regular Cash
- Return of Capital
- Interest on Capital
- Partnership Distribution

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, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

INDEX CALENDAR

Reconstitution schedule

The Index is reconstituted semi-annually in April and October by applying the Constituent Selection Process to all securities that meet the applicable Security Eligibility Criteria.

Reconstitution reference dates

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

Reconstitution announcement dates

Index Reconstitutions are announced in early April and October.

Reconstitution effective dates

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

Rebalance schedule

The Index is rebalanced semi-annually in April and October.

Rebalance reference dates

The Index Rebalance is conducted using data as of the prior month-end (March and September).

Rebalance announcement dates

Index Rebalance changes are announced in early April and October.

Rebalance effective dates

Index Rebalances become effective at market open on the trading day following the third Friday in April and October.

Holiday schedule

The Index is calculated Monday through Friday and does not close for holidays.

Index calculation and dissemination schedule

The Index Value is calculated five (5) days a week, Monday through Friday, once per second from the start of the trading day in Tokyo (09:00:01 Japan Standard Time) until the close of the trading day in New York (17:16:00 Eastern Time).

CONSTITUENT SELECTION

Constituent selection process

All securities that meet the applicable Eligibility Criteria are considered for inclusion in the Index. The below selection process determines the securities included in the Index:

1. Rank each eligible security by its respective trailing-twelve-months dividend yield in descending order. The security that exhibits the highest trailing-twelve-months dividend yield receives the rank 1.
2. Select securities ranked 1-40.
3. Continue to select securities that are in the Index as of the Reconstitution Reference Date and are ranked 41-60 in rank order until up to 50 securities have been selected.
4. If fewer than 50 securities have been selected, continue to select securities that are not in the Index as of the Reconstitution Reference Date and are ranked 41 or higher in rank order until 50 securities have been selected.

CONSTITUENT WEIGHTING

Constituent weighting scheme

The Index is a modified free float market capitalization-weighted index.

Constituent weighting process

Each Index Security's initial weight is determined by dividing its Free Float Market Value by the sum of the Free Float Market Value of all Index Securities.

Initial index weights are adjusted to meet the following constraints, producing the final weights:

- The weight of each of the five securities with the highest initial weights may not exceed 8%.
- The weight of each of the securities with initial weights not in the highest five may not 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 becomes aware that an Index Security has become ineligible for continued inclusion, it is removed from the Index as soon as practicable. This includes events such as filing bankruptcy or similar protection from creditors, delisting or other arrangement including mergers and acquisitions. Refer to the **Corporate Actions and Events Manual – Equities** for further information.

Replacement policy

Index Securities are not replaced between Index Reconstitutions.

Addition policy

Index Securities are not added between Index Reconstitutions.

Corporate actions

Information on corporate actions and events handling can be found in the **Nasdaq Corporate Actions and Events Manual – Equities**.

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

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.nasdaq.com>.

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

Unexpected market closures

For information on Unexpected Market Closures, 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), refer to the **Calculation Manual – Equities and Commodities**.

Recalculation and restatement policy

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

Data sources

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

Contact information

For any questions regarding an Index, 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.nasdaq.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, refer to the **Nasdaq Index Methodology Guide**.

Website

For further information, refer to Nasdaq GIW website at <https://indexes.nasdaq.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 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**.

Nasdaq Index Management Committee

The Nasdaq Index Management Committee is responsible for the overall oversight of activities related to the development, issuance, and operation of Nasdaq Indexes. The Committee reviews and approves all new Index Methodologies as well as updates to existing methodologies. For a detailed overview of the Index Management Committee, refer to the **Nasdaq Index Methodology Guide**.

Nasdaq U.S. Oversight Committee

The U.S. Oversight Committee is responsible for the oversight of the overall Benchmark determination process and is responsible for the overall governance of the U.S.-based Index business including review and approval of the control framework, certain policies and procedures, certain methodologies and methodology changes and other Index management oversight.

For a detailed overview of the U.S. Oversight Committee, refer to the **Nasdaq Index Methodology Guide**.

Internal reviews of methodology

All new methodologies or updates to existing methodologies must be reviewed by the Index Management Committee. Additionally, all in-scope Index methodologies are subject to an annual review by the Index Management Committee and U.S. Oversight Committee. For a detailed description on internal reviews of the Methodology, refer to the **Nasdaq Index Methodology Guide**.

Communication with stakeholders and consultations

In certain circumstances, Nasdaq will seek feedback from clients and market participants via consultations. For a detailed description on Consultations and Communications with Stakeholders, refer to 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, 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, Refer to the **Nasdaq Index Methodology Guide**.

GLOSSARY OF TERMS AS USED IN THIS DOCUMENT

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

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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