

# NASDAQ OMX Global Water™ Index Methodology

## Index Description

The NASDAQ OMX Global Water Index is designed to track the performance of the companies creating products that conserve and purify water for homes, businesses, and industries. The Index is weighted in such a manner as to enhance the underlying liquidity and increase the tradability of the Index Securities.

## Index Calculation

The NASDAQ OMX Global Water Index is a modified liquidity weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each such security's Last Sale Price<sup>1</sup>, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for reporting purposes. The Index began on July 27, 2011, at a base value of 1000.00.

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(Market Value after Adjustments/Market Value before Adjustments) X Divisor before Adjustments

Two versions of the Index are calculated – a price return index and a total return index. The price return index (Nasdaq:GRNWATERL) is ordinarily calculated without regard to cash dividends on Index Securities. The total return index (Nasdaq:GRNWATERLX) reinvests cash dividends on the ex-date. Both Indexes reflect extraordinary cash distributions.

The Index is calculated and disseminated once per second from 9:30:01 to 17:16:00 ET in USD. The closing value of the Index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities. If an Index Market is closed or an Index Security is not trading while the Index is being calculated and disseminated, the price of the Index Security may still fluctuate due to changes in the spot rate. The spot rate is fixed at 16:00:00 ET.

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<sup>1</sup> For purposes of this document, Last Sale Price refers to the last regular way trade reported on such security's Index Market. The Index Market is the listing market for which prices are received and used by Nasdaq in the Index calculation and generally will represent the most liquid trading market of the Index Security. If a security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where Nasdaq is Index Market, the Last Sale Price may be the Nasdaq Official Closing Price (NOCP) when Nasdaq is closed.

## **Eligibility**

Index eligibility is limited to specific security types only. The security types eligible for the Index include common stocks, ordinary shares, depository receipts (both American and Global), depository shares, dutch certificates, shares of beneficial interest, stapled securities and tracking stocks.

## **Eligibility Criteria**

To be eligible for inclusion issuers of the security must be involved in the creation of products that conserve and purify water for homes, businesses, and industries, as determined by SustainableBusiness.com LLC.

In addition, a security must meet the following criteria:

- the security must be listed on an Index-eligible global stock exchange;
- one security per issuer is permitted<sup>2</sup>;
- the security must have a minimum worldwide market capitalization of \$50 million; and
- the security must have a minimum three-month average daily dollar trading volume of \$250 thousand.

## **Index-Eligible Global Stock Exchanges**

Global stock exchanges are reviewed periodically for eligibility. In general, a global exchange will be deemed ineligible if securities cannot be readily obtained either due to foreign investment restrictions or otherwise.

## **Other Eligibility Criteria**

If, at evaluation, 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 Evaluation**

The Index Securities are evaluated annually in June. The above Eligibility Criteria are applied using market data through the end of April. Securities meeting the criteria are included in the Index. Security additions and deletions are made effective after the close of trading on the third Friday in June.

Additionally, if at any time during the year other than the Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, the security is removed from the Index and is not replaced.

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<sup>2</sup> If an issuer has multiple securities, the security with the highest average daily dollar trading volume will be selected for possible inclusion into the Index.

Ordinarily, a security will be removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, in Nasdaq's discretion, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to the time the official closing value of the Index is disseminated.

### **Index Maintenance**

Index Share changes are not made during the quarter, however changes arising from stock dividends and stock splits are made to the Index on the evening prior to the effective date of such corporate action. In the case of certain spin-offs or rights issuances, the price of the Index Security is adjusted and a corresponding adjustment is made to the Index Shares such that the weight of the Index Security does not change as a result of the action.

In the case of a special cash dividend, a determination is made on an individual basis as to whether to make a change to the price of an Index Security in accordance with its Index dividend policy. If it is determined that a change will be made, a corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action. Any such change will become effective on the ex-date.

All changes are made after market close and are reflected in the Index prior to market open the following morning.

### **Index Rebalancing**

The Index employs a modified liquidity weighting methodology. Under the methodology,

- 1.) no country<sup>3</sup> can have more than ten (10) securities;
- 2.) no country<sup>3</sup> can have a weight of more than 40% in the Index;
- 3.) no single stock can have a weight of more than 8% in the Index;
- 4.) no country can have more than two (2) securities in excess of 4%; and
- 5.) the maximum number of securities in excess of 4% is five (5).

The first step is to limit the number of securities by country to ten (10) based on the largest average daily dollar trading volume. Then, the Index is rebalanced such that the maximum weight of any country does not exceed 40% of the Index. The excess weight of any capped country is distributed proportionally across the securities in the remaining countries. If after redistribution, another country's weight is greater than 40%, the process is repeated until no country weight is greater than 40%. Simultaneously, the securities are reviewed to ensure that no single security is greater than 8%. If a security is greater than 8%, it is capped at 8% and the excess weight is distributed proportionally across the remaining Index Securities. If after redistribution, any of the five (5) highest ranked Index Securities are weighted above 4% and less than or equal to 8%, these securities are not capped.

However, if a country has more than two (2) securities greater than 4%, they will be capped at 4% and their excess weight will be redistributed. Next, any remaining Index Securities in excess of 4% are capped at 4% and the excess weight is redistributed

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<sup>3</sup> Country refers to the domicile country.

proportionally across the remaining Index Securities. The process is repeated, if necessary, to derive the final weights.

The modified liquidity weighting methodology is applied to the three-month average daily dollar trading volume of each Index Security as of the close of trading on the last trading day in February, May, August and November. Index Shares are then calculated by multiplying the weight of the security derived above by the aggregate average daily dollar trading volume of the Index and dividing that value for each Index Security by its corresponding Last Sale Price and spot rate. The changes are effective after trading on the third Friday in March, June, September and December.

**Appendix A: Methodology Change Log**

Effective Date	Methodology Section	Previous	Updated
6/10/2024	Eligibility Criteria	“the issuer of the security must be classified as participating in the Green Economy as determined by SustainableBusiness.com LLC;”	--

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity.

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