



INDEX METHODOLOGY

## NASDAQ CLEAN EDGE GREEN ENERGY INDEX™

### CELS

#### INDEX DESCRIPTION

The Nasdaq Clean Edge Green Energy 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

##### Security types

A security must be classified as a depositary receipt, common stock, ordinary share, tracking stock, Real Estate Investment Trust (REIT), or limited partnership interest.

References to a depositary receipt's "issuer" are references to the issuer of the underlying security.

##### Multiple securities per issuer

One security per issuer is permitted. If an issuer has multiple otherwise-eligible securities, one of which is an Index Security as of the Reconstitution Reference Date, only that security may be eligible; otherwise, only the security with the highest three-month average daily traded share volume may be eligible.

##### Listing exchanges

A security must be listed on The Nasdaq Stock Market, the New York Stock Exchange, NYSE American or the Cboe BZX Exchange.

##### Industries and sectors

A security's issuer must be classified by Clean Edge as a technology manufacturer, developer, distributor and/or installer in one of the following sub-sectors:

- Advanced Materials (silicon; lithium; bio-based; and/or other materials and processes that enable clean-energy and low-carbon technologies)
- Energy Intelligence (conservation; efficiency; smart meters; energy management systems; LEDs; smart grid; superconductors; power controls; etc.)
- Energy Storage & Conversion (advanced batteries; power conversion; electric vehicles; hybrid drivetrains; hydrogen; fuel cells for stationary, portable, and transportation applications; etc.)
- Renewable Electricity Generation (solar; wind; geothermal; water power; etc.)

A security's issuer must be determined by Clean Edge to have a demonstrated ability to capture the potential of the clean-energy sector by receiving a majority (50% or more) of its revenue from clean-energy and low-carbon activities, or, in the case wherein a company has multiple business units and revenue streams, have substantial exposure to the clean-energy and low-carbon sector.

### **Market capitalization**

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

### **Liquidity**

A security must have a three-month average daily traded volume of at least 100,000 shares.

### **Seasoning**

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

### **Other eligibility criteria**

A security must have a closing price of at least \$1.00.

A security's issuer must not be identified by the U.S. Securities and Exchange Commission (SEC) as having used to audit its financial statements an accounting firm that has been identified by the Public Company Accounting Oversight Board (PCAOB) under the Holding Foreign Companies Accountable Act (HFCAA).

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 March and September 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 market data as of the end of February and August, 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 first trading day following the third Friday in March and September, respectively.

### Rebalance schedule

The Index is rebalanced quarterly in March, June, September and December by applying the Constituent Weighting Process.

### Rebalance reference dates

The Constituent Weighting Process is applied by using data as of the end of February, May, August and November, respectively.

### Rebalance announcement dates

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

### Rebalance effective dates

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

### Holiday schedules

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.

## CONSTITUENT SELECTION

### Constituent selection process

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

CELS 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 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](mailto: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

### 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, securities 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: METHODOLOGY CHANGE LOG

Effective date	Methodology section	Description or summary of changes
September 19, 2022	Security eligibility criteria: Other eligibility criteria	A security whose issuer is identified by the SEC as having used for financial audit an accounting firm identified by the PCAOB under the HFCAA is no longer eligible.

## 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.

Neither Nasdaq, Inc., nor any of its affiliates makes any recommendation to buy or sell any security or any representation about the financial condition of any company. Investors should undertake their own due diligence and carefully evaluate companies before investing. The information contained herein is provided for informational and educational purposes only, and nothing contained herein should be construed as investment advice, either on behalf of a particular security or an overall investment strategy. **ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.**