INDEX METHODOLOGY

ISE CLEAN EDGE WATER™ INDEX

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INDEX DESCRIPTION

The ISE Clean Edge Water Index (the "Index") is designed to track the performance of companies that derive a substantial portion of their revenues from the potable water and wastewater industry, as determined by Clean Edge. Industry exposure includes Utilities & Distributors, Water Infrastructure (pumps, pipes, and valves), Treatment & Testing (purification and filtration), and Ancillary Products & Services (consulting, construction, and metering).

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.

Security Types

Eligible security types generally include common stocks, ordinary shares, and depositary receipts.

If the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the “issuer” are references to the issuer of the underlying security.

Multiple Classes of Securities

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 value traded (ADVT) may be eligible.

Listing Exchanges

A security must be listed on a U.S. exchange as defined in the **Nasdaq Eligible Exchanges**.

Industries and Sectors

A security's issuer must derive a substantial portion of its revenue from the potable water and wastewater industry, as determined by Clean Edge.

Market Capitalization

A security must have a market capitalization of at least $100 million (USD).

Liquidity

A security must have a three-month ADVT of at least $500 thousand (USD).

Seasoning

A security must have been traded for at least three months prior to the Reconstitution Reference Date.

Float

At least 20% of a security's total shares outstanding must be publicly available for trading (float shares).

Other Eligibility Criteria

If, at index 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 for bankruptcy or similar protection from creditors, or other events as described in Section 3 of **Corporate Actions and Events Manual – Equities**.

CONSTITUENT SELECTION

Constituent Selection Process

An index reconstitution is conducted semiannually based on the Reconstitution Reference Date.

Securities that meet the *Security Eligibility Criteria* are ranked in descending order by market capitalization and the top 36 securities are selected for inclusion 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 semiannually based on the Rebalance Reference Date.

Index Security weights are assigned according to the following market capitalization rank-based schedule, whereby a rank of 1 represents the highest market capitalization:

- Index Securities ranked 1-10 by market capitalization are assigned weights of 4%.
- Index Securities ranked 11-15 by market capitalization are assigned weights of 3.5%.
- Index Securities ranked 16-20 by market capitalization are assigned weights of 3%.
- Index Securities ranked 21-30 by market capitalization are assigned weights of 2%.
- Index Securities ranked 31-36 by market capitalization are assigned weights of 1.25%.

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

INDEX CALENDAR

Reconstitution & Rebalancing Schedule

Reconstitution Frequency	Semiannually
Rebalance Frequency	Semiannually
Reconstitution Reference Dates	Last trading day of February and August, respectively
Reconstitution Announcement Dates	After the close on the sixth trading day prior to the Reconstitution Effective Date
Reconstitution Effective Dates	At market open on the first trading day following the third Friday in March and September, respectively
Rebalance Reference Dates	Same as the Reconstitution Reference Dates
Rebalance Announcement Dates	Same as the Reconstitution Announcement Dates
Rebalance Effective Dates	Same as the Reconstitution Effective Dates

Holiday Schedule

The Index is calculated Monday through Friday, except on days when the U.S. markets are closed.

Index Calculation and Dissemination Schedule

Index values are made available on each trading day via the Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaqomx.com/. Where applicable, index values are available throughout the trading day.

INDEX MAINTENANCE

Deletion Policy

If, at any time during the year other than the index reconstitution(s), an Index Security that no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index is removed from the Index. This includes circumstances where 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. 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 reconstitutions, individual Index securities may be 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's **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 reconstitution and rebalance events.

ADDITIONAL INFORMATION

Announcements

Nasdaq announces Index-related information via the Nasdaq Global Index Watch (GIW) website at https://indexes.nasdaqomx.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 and the classification of dividends and associated tax rates, 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 the Nasdaq 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, refer to the 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, refer to the **Nasdaq Index Methodology Guide**.

APPENDIX A: METHODOLOGY CHANGE LOG

Effective Date	Methodology Section	Previous	Updated
7/6/2026	Security Eligibility Criteria: Listing Exchanges	A security must be listed on the Nasdaq Stock Market, the New York Stock Exchange, NYSE American, or the CBOE Exchange.	A security must be listed on a U.S. exchange as defined in the **Nasdaq Eligible Exchanges**. *Note: This update includes the treatment of TXSE as an eligible U.S. exchange.*

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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