



IndexIQ

CORPORATE AND INDEX EVENTS GUIDE

IndexIQ LLC

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Introduction

This document sets forth the standardized maintenance and policies governing the IndexIQ Family of Indexes. Unless stated specifically in the respective index rule book, these procedures shall apply.

Calculation Agent

The Index will be calculated by Solactive AG or another established calculation agent that is not affiliated with IndexIQ LLC or IndexIQ LLC's affiliates (the "Calculation Agent"). The Index value on a price basis will be disseminated every 15 seconds to the Securities Industry Automation Corporation (SIAC) for dissemination of the Index value to the Consolidated Tape.

Corporate Actions and Events

Stock Splits

A stock split is a corporate event which increases the number of a company's shares, while simultaneously reducing its per share price, such that the market capitalization of the company remains the same before and after the event.

Stock splits are quoted in terms of shares received to shares held, e.g. 2 for 1 or 2:1.

The shares of a company are increased (multiplied) by the stock split adjustment factor (greater than one), while the price is decreased (divided) by this same factor.

Reverse Splits

Reverse Split. A reverse split is the opposite of a stock split. In a reverse split, the shares of a company are decreased while its per-share-price is increased by the adjustment factor (less than one). Also, like a stock split, the overall market capitalization of the company remains unchanged by this event.

Reverse splits are quoted in terms of shares received to shares held. The shares of a company are decreased (multiplied) by the adjustment factor, while the price is increased (divided) by this same amount. The adjustment factor for a reverse split is determined just like in a stock split (shares received/shares held).

Stock Dividends

Stock Dividend. Stock dividends work exactly like stock splits, except these are quoted in terms of the percentage of shares received to those held.

Extraordinary Distributions

In the event of certain types of corporate actions, such as the payment of a dividend, other than an ordinary cash dividend, rights offering, or a distribution with respect to an Index component, the divisor is adjusted to reflect the adjustment to the price, net of foreign withholding taxes where applicable, of that component stock resulting from the distribution.

Mergers / Takeovers

If an existing Index component is merged into or is otherwise acquired by another Index component for shares (or a combination of shares and cash), then the Index component being acquired is removed from the Index on the effective date of the transaction and no replacement is made. The surviving entity remains a component of the Index with its weight factor adjusted so that the surviving entity retains the same overall percentage representation within the Index as the sum of the entities prior to the transaction.

If the transaction involves cash only, then the Index component being acquired is removed, the percentage representation of the acquiring component is not adjusted to reflect the merger / takeover, and the weights of all Index components (other than the one that was removed) are adjusted proportionately for the weight of the Index component that was removed.

If an existing Index component is acquired by a non-component, then the existing Index component is removed, no replacement is made, and the weights of all remaining Index components are adjusted proportionately for the weight of the Index component that was removed.

If an existing Index component acquires a non-component, the existing Index component remains in the Index with an unchanged percentage representation, and the weights of all other Index components are not adjusted.

Bankruptcy, De-Listing or Prolonged Trading Suspension

In the event of an Index component's bankruptcy, the Index component is removed from the Index effective after the close on the date of the bankruptcy filing and is removed at the value at which it last traded, with no replacement made. The weights of all remaining components are adjusted proportionately for the weight of the component that is removed.

In the event of an Index component's de-listing from one of the exchanges outlined above under "Eligibility Requirements", the Index component is removed from the Index effective after the close on the date of the de-listing and is removed at the value at which it last traded, with no replacement made. The weights of all remaining Index components are adjusted proportionately for the weight of the component that is removed.

In the event that trading in an Index component is suspended for more than three (3) consecutive trading days, the Index component is removed from the Index effective after the close on the third such day of trading and is removed at the value at which it last traded, with no replacement made. The weights of all remaining Index components are adjusted proportionately for the weight of the component that is removed.

Spin-Offs

In the event a company is spun-off from an existing Index component, the spun-off company may remain within the Index provided the spun-off company meets the eligibility requirements and selection criteria for inclusion in the Index and is consistent with the objective of the Index.

Ordinary Dividends

Dividend payments by Index components are treated as if they are reinvested in the Indexes, net of any applicable foreign withholding taxes, in calculating total returns for the Index.

The amount withheld by the company making a dividend payment, to be paid to the taxation authorities, refers to the tax that non-residents are subject to and is based on the country in which the company paying the dividends is incorporated, not where the shareholder resides. In most countries, domestic shareholders are not required to pay this tax. Tax treaties between countries may reduce the amount of withholding tax required. The withholding tax rates used by IndexIQ LLC reflect reductions resulting from such tax treaties. IndexIQ LLC uses a third party to advise it of pending changes to maximum and treaty-based withholding tax rates. These changes are communicated to the Calculation Agent and implemented on the first working day of the month following review. However, in the event that IndexIQ LLC receives late notification of changes, these will be implemented on the working day following confirmation of the new tax rate.

Extraordinary Circumstances

In the event of an extraordinary circumstance in which an Index component no longer conforms to the objectives of the Index, IndexIQ may elect to eliminate the component from the Index with no replacement made.

Lack of Price

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion.

Index Governance

Index Committee

The Index methodology is maintained by the Index Committee. The Index Committee meets annually and on an as-needed basis to make decisions regarding the Index.

The Index Committee is responsible for making any rule or policy changes to the Index. IndexIQ LLC considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential. The Index Committee meetings are confidential, and the members of the Index Committee are subject to confidentiality and non-disclosure obligations relating to Index matters discussed and governed by the Committee. Any material change in the Index rules may be made following public notice.

IndexIQ LLC's Index Committees reserve the right to make exceptions when applying the methodology as the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

Index Policy

Announcements

Index announcements and notifications are posted on IndexIQ LLC's website at www.nylinvestments.com/IQetfs/indexes. Pro-forma index constituents can be found on the IndexIQ LLC's website each time the indices rebalance.

Holiday Schedule

The Index is calculated on a five-day calendar basis.

Reconstitution and Rebalancing

The Index Committee may change the date of a Reconstitution or Rebalancing for reasons including market holidays occurring on or around the scheduled Reconstitution or Rebalancing date. Any such change will be announced with advance notice where possible.

Unexpected Exchange Closures and Market Disruptions

In the event of an unexpected exchange closure or other market event in which the trading of one or more given constituents is interrupted for a given period of time, the Calculation Agent will calculate the Index in accordance with the Calculation Agent's Disruption Policy. See <https://www.solactive.com/documents/> for additional information.

Recalculation and Correction Policy

IndexIQ LLC will recalculate or correct an Index in the event one of the following issues has occurred in:

- Incorrect application of or missed corporate action;
- Incorrect application of processing of or missed dividend;
- Incorrect application of index methodology or data error;
- Incorrect or revised closing price of one or more constituent securities, accrued interests or foreign exchange rates; or
- Incorrect application of tax rates.

Any recalculation or correction of the Index will be completed in accordance with the Calculation Agent's Correction Policy. See <https://www.solactive.com/documents/> for additional information.

Notwithstanding the foregoing, the Index Committee reserves the right to recalculate or correct the Index at its discretion and in such manner as determined by the Index Committee. In the event IndexIQ LLC chooses to recalculate an index, it shall do so within a reasonable timeframe following the detection and review of the issue. If it is determined that an index will be recalculated, the following steps will be taken upon completion of the recalculation:

All impacted index levels will be regenerated and reposted to third party platforms; and all clients (*i.e.*, IndexIQ LLC-licensed entities) are notified of the recalculation and alerted to the availability of any reposted files.

Common Identifiers

Incorrect identifiers are generally corrected on the same day such an error is detected and will be included in the next regularly scheduled file delivery.

Real-Time Calculation

Real-time indices are not restated. In the event there is an error with a real-time calculation or a restatement of end-of-day values for one of the Indices, the Calculation Agent will not re-compute intraday values for the impacted time period.

Contact Information

For questions regarding the Index, please contact: (888) 474-7725 or index@indexiq.com.

APPENDIX 1: Glossary

Glossary

Bankruptcy. A legally declared inability or impairment of ability of an individual or organization to pay their creditors. Bankrupt companies will typically be delisted by the exchange on which their shares are traded.

Consolidated Tape. This refers to a high-speed, electronic system that reports the latest price and volume data on sales of exchange-listed stocks. The data reflected on the consolidated tape are generated by various market centers, including all securities exchanges, electronic communications networks (ECNs), and third-market broker-dealers. Internet sites that provide updated market information and financial news programs on television often include trade reports from the consolidated tape.

De-listing. This refers to the removal of a listed security from the exchange on which it trades. The security is removed from the exchange because the company is not in compliance with the listing requirements of the exchange. De-listing could be a voluntary action taken by the company or involuntary. This typically occurs when a company has become private after a merger/acquisition, declares bankruptcy or no longer satisfies the listing rules of the stock exchange.

Merger. A merger is the combination of two (or more) companies into one larger company, involving a stock swap and/or cash payment to the shareholders of the target company.

Spin-Off. When a corporation divests a subsidiary or division to create a new, independent company. The spun-off company takes assets, intellectual property, technology, and/or existing products from the parent organization and forms its own private or publicly listed company. Shares of the new organization are distributed to the equity shareholders of the parent organization, at a ratio established by the parent, to keep or sell at their discretion. The new company formed by this divestiture is called the “spun-off” entity. Spin-offs may also be referred to as “demergers”.

APPENDIX 2: Amendment History

Amendment History

Effective Date	Change
December 31, 2019	Effective date for new rule book template

APPENDIX 3: Disclaimers

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