

The NYSE Arca Environmental Services Index (AXENV)

Index Description

The NYSE Arca Environmental Services Index ("Index") is a modified equal dollar weighted index comprised of publicly traded companies that engaged in business activities that may benefit from the global increase in demand for consumer waste disposal, removal and storage of industrial by-products, and the management of associated resources. The Index divisor was initially determined to yield a benchmark value of 500.00 at the close of trading on December 31, 2003. The Index is calculated and maintained by NYSE Arca. Similar to other stock indices calculated by NYSE Arca, the value of the Index will be disseminated every 15 seconds over the Consolidated Tape Association's Network B between the hours of approximately 9:30am and 4:15pm, under the symbol "AXENV"

Eligibility Criteria for Index Components

The Index includes common stocks or ADRs of selected companies that are involved in management, removal and storage of consumer waste and industrial by-products, and related environmental services, including waste collection, transfer and disposal services, recycling services, soil remediation, wastewater management, and environmental consulting services. Only companies listed for trading on the New York Stock Exchange, NYSE Amex, or quoted on the NASDAQ National Market with market capitalization greater than \$100 million, three-month trading price greater than \$3.00, and three-month daily average traded value greater than \$1 million are eligible for inclusion in the Index.

Index Calculation

The Index is calculated using a modified equal-dollar weighting methodology. The Index weighting modifications are based on the market capitalization of each of the component stocks, which are applied in conjunction with the scheduled quarterly adjustments to the index:

- The top four components, ranked by market capitalization, are equally weighted are to collectively represent forty percent (40%) of the index by weight.
- The bottom five components, ranked by market capitalization, are equally weighted are to collectively represent ten percent (10%) of the index by weight.
- The remaining components are equally weighted to collectively to represent fifty percent (50%) of the index.

Index Level

The official closing level of the index is calculated each day using the official closing price from the primary listing exchange of each index constituent. If no official closing price is available due to the following reasons, the respective course of action will be taken:

1. Trading of index component is suspended before market close and remains suspended through market close – The index will use the last traded price of the current day from the primary listing exchange in calculating the current day's official closing level.
2. Trading of index component is not opened for current day – The index will use the previous day's official

closing price or last traded price; until a particular stock opens, its adjusted closing price from the previous day is used in the index computation.

3. Exchange or market-wide event resulting in normal closing auction not going off or official closing prices not being available
 - The index will take guidance from the respective exchange(s) and address on an event-by-event basis. Exchange or market-wide events include, but are not limited to:
 - Volatility Halts
 - LULD
 - Circuit breaker
 - Technological problems/failures
 - Natural disaster or other BCP related event

Quarterly Review

The Index is reviewed quarterly so that the Index components continue to represent the universe of companies involved environmental services relating to consumer and industrial waste management. NYSE Arca may at any time and from time to time change the number of stocks comprising the group by adding or deleting one or more stocks, or replace one or more stocks contained in the group with one or more substitute stocks of its choice, if in the Exchange's discretion such addition, deletion or substitution is necessary or appropriate to maintain the quality and/or character of the index to which the group relates. Changes to the Index compositions and/or the component share weights in the Index typically take effect after the close of trading one day prior to the last business day of each calendar quarter month in connection with the quarterly index rebalance. At the time of the Index quarterly rebalance, the weights for the components stocks (taking into account expected component changes and share adjustments), are modified in accordance with the following procedures.

Maintenance of the Index

The Index is reviewed quarterly to ensure that at least 90% of the Index weight is accounted for by Index components that continue to meet the initial eligibility requirements. Components will be removed from the Index during the quarterly review, if the market capitalization falls below \$75 million or the daily average traded value fall below \$750 thousand. In conjunction with the quarterly review, the share weights used in the calculation of the Index are determined based upon market prices at the close of trading on the third business day prior to the last business day of each calendar quarter month and the weighting methodology described in the Index Calculation section above. The Index components and their share weights are determined and announced prior to taking effect. The share weight of each component stock in the Index portfolio remains fixed between quarterly reviews except in the event of certain types of corporate actions such as stock splits, reverse stock splits, stock dividends, or similar events. The share weights used in the Index calculation are not adjusted for shares issued or repurchased between quarterly reviews. NYSE Arca may substitute stocks or change the number of stocks included in the index, based on changing conditions in the industry or in the event of certain types of corporate actions, including mergers, acquisitions, spin-offs, and reorganizations. In the event of component or share weight changes to the Index portfolio, the payment of dividends other than ordinary cash dividends, spin-offs, rights offerings, recapitalization, or other corporate actions affecting a component stock of the Index; the Index divisor may be adjusted to ensure that there are no changes to the Index level as a result of non-market forces.

Further info

To find out more, please email:
usindex@nyx.com

Disclaimer

The NYSE Arca Environmental Services Index is a service mark of NYSE Euronext or its affiliates ("NYSE Euronext") and is being used with the permission of NYSE Euronext. NYSE Euronext in no way sponsors, endorses, or is otherwise involved in the transactions and/or assets specified and described in this document. NYSE Euronext makes no representations or warranties regarding any products or notes issued under the NYSE Arca Environmental Services Index or the ability of the NYSE Arca Environmental Services Index to track general market performance.

www.nyse.com