Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Initial * Amendment * Withdrawal * Section 19(b)(2) * Section 19(b)(3)(A) * Section 19(b)(3)(B) *

Pilot ☐ Extension of Time Period for Commission Action ☐ Date Expires *

Rule

19b-4(f)(1) ☐ 19b-4(f)(4) ☐
19b-4(f)(2) ☐ 19b-4(f)(5) ☐
19b-4(f)(3) ☑ 19b-4(f)(6) ☐

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * Section 806(e)(2) *

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Relating to an Amendment to Conform Rule Text

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Angela Last Name * Dunn
Title * Associate General Counsel
E-mail * angela.dunn@nasdaqomx.com
Telephone * (215) 496-5692 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934.

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Date *)
Date 11/18/2014
By Edward S. Knight

Executive Vice President and General Counsel

Note: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.
The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e., partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.
1. **Text of the Proposed Rule Change**

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act")\(^1\) and Rule 19b-4 thereunder,\(^2\) The NASDAQ Stock Market LLC ("NASDAQ" or the "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to modify Chapter XV, entitled "Options Pricing," at Section 2 governing pricing for NASDAQ members using the NASDAQ Options Market ("NOM"), NASDAQ’s facility for executing and routing standardized equity and index options. Specifically, NOM proposes to conform certain language related to Penny Pilot Options\(^3\) rebates currently applicable to Customers,\(^4\) Professionals\(^5\) and NOM Market Makers.\(^6\)


\(^2\) 17 CFR 240.19b-4

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed Rule is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of NASDAQ pursuant to authority delegated by the Board of Directors of NASDAQ on July 16, 2014. NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken


The term “Customer” applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation (“OCC”) which is not for the account of broker or dealer or for the account of a “Professional” (as that term is defined in Chapter I, Section 1(a)(48)).

The term “Professional” means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Chapter I, Section 1(a)(48). All Professional orders shall be appropriately marked by Participants.

The term “NOM Market Maker” means a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.
pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Angela Saccomandi Dunn, Associate General Counsel, The NASDAQ OMX Group, Inc. at (215) 496-5692.

3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

   a. **Purpose**

   The purpose of the proposed rule change is to conform rule text in Chapter XV, entitled “Options Pricing,” at Section 2(1) governing the rebates and fees assessed for options orders entered into NOM. Specifically, the Exchange proposes to amend rule text describing the volume required to qualify for certain Customer and Professional Penny Pilot Options Rebate to Add Liquidity tiers and also certain NOM Market Maker Penny Pilot Options Rebate to Add Liquidity tiers.

   With respect to the Customer and Professional Tier 8 Penny Pilot Options Rebate to Add Liquidity, the NOM Market Maker Tier 6 Penny Pilot Options Rebate to Add Liquidity and the $0.02 per contract Tier 8 incentive for the Customer and Professional Penny Pilot Options Rebate to Add Liquidity,\(^7\) the Exchange proposes to amend the language which describes the required national customer volume in multiply-listed equity and ETF options classes in a month in these sections. The Exchange is proposing to

\(^7\) Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.25% or more of national customer volume in multiply-listed equity and ETF options classes in a month will receive an additional $0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.
conform this language with current rule text which describes total industry customer equity and ETF option average daily volume (“ADV”) contracts per day in a month. This proposed amendment is non-substantive as the two concepts are not different. The Exchange is proposing to conform the language to avoid confusion. This amendment will not amend the manner in which those rebates are paid today.

b. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^8\) in general, and furthers the objectives of Section 6(b)(5) of the Act\(^9\) in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, in that the amendments will provide greater clarity to the pricing of these options.

The Exchange believes that the amendments provide greater specificity and conform word usage with respect to rebates and incentives offered by NOM. The Exchange is not proposing to amend the pricing, rather the Exchange believes the amendments make clear that the terms national customer volume and total industry volume are equivalent.

4. **Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The amendments to the options pricing are non-substantive and merely seek


to conform rule text to make clear that the same standard of measure is being applied to determine the qualifications for the volume tiers and incentives.

5. **Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

No written comments were either solicited or received.

6. **Extension of Time Period for Commission Action**

Not applicable.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)\(^{10}\) of the Act and Rule 19b-4(f)(6)\(^{11}\) thereunder, in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange is proposing to conform the rule text in Chapter XV, Section 2. This amendment is non-substantive.

Furthermore, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

The proposed this rule change is non-controversial.

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8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Applicable portion of the rule text.
Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2014-113)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to an Amendment to Conform Rule Text

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 18, 2014, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by NASDAQ. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

NASDAQ proposes to modify Chapter XV, entitled “Options Pricing,” at Section 2 governing pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options. Specifically, NOM proposes to conform certain language related to Penny Pilot Options³ rebates currently applicable to Customers,⁴ Professionals⁵ and NOM Market Makers.⁶

³ The Penny Pilot was established in March 2008 and in October 2009 was

The term “Customer” applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation (“OCC”) which is not for the account of broker or dealer or for the account of a “Professional” (as that term is defined in Chapter I, Section 1(a)(48)).

The term “Professional” means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Chapter I, Section 1(a)(48). All Professional orders shall be appropriately marked by Participants.

The term “NOM Market Maker” means a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive NOM
The text of the proposed rule change is available on the Exchange’s Website at http://www.nasdaq.cchwallstreet.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to conform rule text in Chapter XV, entitled “Options Pricing,” at Section 2(1) governing the rebates and fees assessed for options orders entered into NOM. Specifically, the Exchange proposes to amend rule text describing the volume required to qualify for certain Customer and Professional Penny Pilot Options Rebate to Add Liquidity tiers and also certain NOM Market Maker Penny Pilot Options Rebate to Add Liquidity tiers.

With respect to the Customer and Professional Tier 8 Penny Pilot Options Rebate to Add Liquidity, the NOM Market Maker Tier 6 Penny Pilot Options Rebate to Add Liquidity and the $0.02 per contract Tier 8 incentive for the Customer and Professional Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.
Penny Pilot Options Rebate to Add Liquidity, the Exchange proposes to amend the language which describes the required national customer volume in multiply-listed equity and ETF options classes in a month in these sections. The Exchange is proposing to conform this language with current rule text which describes total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month. This proposed amendment is non-substantive as the two concepts are not different. The Exchange is proposing to conform the language to avoid confusion. This amendment will not amend the manner in which those rebates are paid today.

2. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, in that the amendments will provide greater clarity to the pricing of these options.

The Exchange believes that the amendments provide greater specificity and conform word usage with respect to rebates and incentives offered by NOM. The Exchange is not proposing to amend the pricing, rather the Exchange believes the

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7 Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.25% or more of national customer volume in multiply-listed equity and ETF options classes in a month will receive an additional $0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.


amendments make clear that the terms national customer volume and total industry volume are equivalent.

B. **Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The amendments to the options pricing are non-substantive and merely seek to conform rule text to make clear that the same standard of measure is being applied to determine the qualifications for the volume tiers and incentives.

C. **Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

No written comments were either solicited or received.

III. **Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act\(^\text{10}\) and subparagraph (f)(6) of Rule 19b-4 thereunder.\(^\text{11}\)

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for

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the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved. The Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2014-113 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2014-113. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site (http://www.sec.gov/rules/sro.shtml).
Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2014-113 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.12

Kevin M. O’Neill
Deputy Secretary


EXHIBIT 5

New text is underlined; deleted text is in brackets.

Chapter XV Options Pricing

* * * * *

Sec. 2 NASDAQ Options Market—Fees and Rebates

The following charges shall apply to the use of the order execution and routing services of the NASDAQ Options Market for all securities.

(1) Fees for Execution of Contracts on the NASDAQ Options Market

<table>
<thead>
<tr>
<th>Fees and Rebates (per executed contract)</th>
<th>Customer</th>
<th>Professional</th>
<th>Firm</th>
<th>Non-NOM Market Maker</th>
<th>NOM Market Maker</th>
<th>Broker-Dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penny Pilot Options:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebate to Add Liquidity</td>
<td>***</td>
<td>***</td>
<td>$0.10</td>
<td>$0.10</td>
<td></td>
<td>$0.10</td>
</tr>
<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.48</td>
<td>$0.49</td>
<td>$0.49</td>
<td>$0.49</td>
<td>$0.49</td>
<td>$0.49</td>
</tr>
<tr>
<td>Non-Penny Pilot Options (including NDX ¹):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for Adding Liquidity</td>
<td>N/A</td>
<td>$0.45</td>
<td>$0.45</td>
<td>$0.45</td>
<td>$0.35</td>
<td>$0.45</td>
</tr>
<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.85</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.89</td>
</tr>
<tr>
<td>Rebate to Add Liquidity</td>
<td>$0.84 ³</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>SOX, HGX and OSX:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for Adding Liquidity</td>
<td>$0.40</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.40</td>
<td>$0.89</td>
</tr>
<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.40</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.89</td>
<td>$0.40</td>
<td>$0.89</td>
</tr>
</tbody>
</table>
For transactions in NDX, a surcharge of $0.15 per contract will be added to the Fee for Adding Liquidity and the Fee for Removing Liquidity in Non-Penny Pilot Options, except for a Customer who will not be assessed a surcharge.

A Participant that qualifies for Penny Pilot Options Customer or Professional Rebate to Add Liquidity Tiers 7 or 8 in a given month will receive an additional $0.01 per contract Non-Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Non-Penny Pilot Options in that month.

The Customer and Professional Rebate to Add Liquidity in Penny Pilot Options will be paid as noted below. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, the Participant's Penny Pilot and Non-Penny Pilot Customer and/or Professional volume that adds liquidity will be included.

<table>
<thead>
<tr>
<th>Monthly Volume</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier</strong></td>
<td>Participant adds Customer Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume (&quot;ADV&quot;) contracts per day in a month</td>
</tr>
<tr>
<td>1</td>
<td>Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month</td>
</tr>
<tr>
<td>2</td>
<td><strong>$0.42</strong></td>
</tr>
<tr>
<td>3</td>
<td><strong>$0.43</strong></td>
</tr>
<tr>
<td>4</td>
<td>Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.30% to 0.40% of total industry customer equity and ETF option ADV contracts per day in a month</td>
</tr>
<tr>
<td>5</td>
<td>participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 25,000 or more</td>
</tr>
<tr>
<td>5 a</td>
<td></td>
</tr>
</tbody>
</table>
contracts per day in a month, (2) the Participant has
certified for the Investor Support Program set forth in Rule
7014, and (3) the Participant executed at least one order on
NASDAQ's equity market

**Tier 6**
- Participant has Total Volume of 100,000 or more contracts $0.45
  per day in a month, of which 25,000 or more contracts per
day in a month must be Customer and/or Professional
liquidity in Penny Pilot Options

**Tier 7**
- Participant has Total Volume of 150,000 or more contracts $0.47
  per day in a month, of which 50,000 or more contracts per
day in a month must be Customer and/or Professional
liquidity in Penny Pilot Options

**Tier 8**
- Participant adds Customer, Professional, Firm, Non-NOM $0.48 (Customer)
  Market Maker and/or Broker-Dealer liquidity in Penny (Professional)
  Pilot Options and/or Non-Penny Pilot Options of 0.75% or
  more of [national] total industry customer [volume in
  multiply-listed] equity and ETF option[s] ADV contracts
  per day [classes] in a month.

For purposes of Tier 5, the Exchange will allow a NOM Participant to qualify for
the rebate if a NASDAQ member under Common Ownership with the NOM
Participant has certified for the Investor Support Program and executed at least
one order on NASDAQ's equity market.

For purposes of Tiers 6, 7 and 8, "Total Volume" shall be defined as Customer,
Professional, Firm, Broker-Dealer, Non-NOM Market Maker and NOM Market
Maker volume in Penny Pilot Options and/or Non-Penny Pilot Options which
either adds or removes liquidity on NOM.

For purposes of Tiers 6, 7 and 8, the Exchange will allow NOM Participants
under Common Ownership to aggregate their volume to qualify for the rebate.

Participants or Participants under Common Ownership that qualify for Customer or Professional
Rebate to Add Liquidity Tiers 7 or 8 in a given month will be assessed a Professional, Firm,
Non-NOM Market Maker, NOM Market Maker or Broker-Dealer Fee for Removing Liquidity in
Penny Pilot Options of $0.48 per contract and a Customer Fee for Removing Liquidity in Penny
Pilot Options of $0.47 per contract.

Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-
Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.25% or more of
[national] total industry customer [volume in multiply-listed] equity and ETF option[s] ADV
contracts per day [classes] in a month will receive an additional $0.02 per contract Penny Pilot
Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny
Pilot Options in that month.

# The NOM Market Maker Rebate to Add Liquidity in Penny Pilot Options will be paid as noted
below.
<table>
<thead>
<tr>
<th>Monthly Volume</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier 1</strong></td>
<td>Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume (&quot;ADV&quot;) contracts per day in a month</td>
</tr>
<tr>
<td><strong>Tier 2</strong></td>
<td>Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.25% of total industry customer equity and ETF option ADV contracts per day in a month</td>
</tr>
<tr>
<td><strong>Tier 3</strong></td>
<td>Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.25% to 0.60% of total industry customer equity and ETF option ADV contracts per day in a month</td>
</tr>
<tr>
<td><strong>Tier 4</strong></td>
<td>Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of above 0.60% to 0.90% of total industry customer equity and ETF option ADV contracts per day in a month</td>
</tr>
<tr>
<td><strong>Tier 5</strong></td>
<td>Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for the Tier 7 or Tier 8 Customer and/or Professional Rebate to Add Liquidity in Penny Pilot Options</td>
</tr>
</tbody>
</table>
Tier 6  
Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.80% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for the Tier 7 or Tier 8 Customer and/or Professional Rebate to Add Liquidity in Penny Pilot Options or Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.90% of total industry customer equity and ETF option ADV contracts per day in a month or Participants that add Customer, Professional, Firm, Non-NOM Market Maker, and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.40% or more of total industry [national] customer [volume in multiply-listed] equity and ETF option[s] ADV contracts per day [classes] in a month

$0.42

(2) – (5) No change.

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