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

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

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

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

**Section 3C(b)(2) **

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

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**Description**

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

**Relating to Common Ownership**

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**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) 495-5692**

---

**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 11/20/2014**

**Executive Vice President and General Counsel**

**Edward S. Knight**

(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.)

**edward.knight@nasdaq.com**
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 "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to modify the definition of Common Ownership\(^3\) in 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, the Exchange proposes to extend the application of Common Ownership to all Chapter XV, Section 2 pricing which requires a certain volume threshold or percentage of volume to obtain certain options pricing.

   While the changes proposed herein are effective upon filing, the Exchange has designated that the amendments be operative on December 1, 2014.

   A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable portion of the rule text 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

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\(^3\) The term "Common Ownership" shall mean Participants under 75% common ownership or control. See NOM Rules at Chapter XV.
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 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

NASDAQ proposes to modify Chapter XV, entitled “Options Pricing,” at Section 2 governing the rebates and fees assessed for option orders entered into NOM. The Exchange proposes to extend the application of Common Ownership to all Chapter XV, Section 2 pricing which requires a certain volume threshold or percentage of volume to obtain certain options pricing. Today, NOM Participants are permitted to aggregate affiliate activity to obtain certain pricing as specified in Chapter XV, Section 2, provided the NOM Participants are affiliated because they are under 75% common ownership or control with each other (“Common Ownership”). Today, the Exchange offers NOM Participants under Common Ownership the ability to obtain certain Customer\(^4\) and Professional\(^5\) Penny Pilot Options\(^6\) Rebates to Add Liquidity in Tiers 5, 6, 7 and 8.\(^7\)

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\(^4\) The term “Customer” applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation 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)).

\(^5\) The term “Professional” means any person or entity that (i) is not a
The Exchange proposes to extend Common Ownership to apply to all pricing in Chapter XV, Section 2, which would include all Customer and Professional Penny Pilot Options Rebate to Add Liquidity Tiers (1 through 8) as well as NOM Market Maker.

For purposes of Tiers 5, 6, 7 and 8, the Exchange will allow NOM Participants under Common Ownership to aggregate their volume to qualify for the rebate.

The term “NOM Market Maker” means a Participant that has registered as 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.

Penny Pilot Options Rebate to Add Liquidity Tiers (1 through 6). It would also include any other future pricing in Chapter XV, Section 2 that specifies a certain volume threshold or volume percentage to obtain certain pricing (fees or rebates). The Exchange believes that permitting NOM Participants to aggregate pricing with affiliated NOM Participants for all pricing that requires a certain volume threshold or volume percentage will enable NOM Participants to obtain higher rebates.

The Exchange proposes to amend the rule text of Chapter XV by adding the following sentence to the defined term, Common Ownership: “Common Ownership shall apply to all pricing in Chapter XV, Section 2 for which a volume threshold or volume percentage is required to obtain the pricing.” The Exchange proposes to remove all other references to Common Ownership currently within the rule text of Chapter XV, Section 2(1).

b. **Statutory Basis**

NASDAQ believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,\(^9\) in general, and with Section 6(b)(4) of the Act,\(^10\) in particular, in that they provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls as described in detail below.

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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.


The Exchange believes the rule change avoids disparate treatment of members that have divided their various business activities between separate corporate entities as compared to members that operate those business activities within a single corporate entity. By way of example, subject to appropriate information barriers, many firms that are members of the Exchange operate both a market making desk and a public customer business within the same corporate entity. In contrast, other members may be part of a corporate structure that separates those business lines into different corporate affiliates, either for business, compliance or historical reasons, and those affiliates are not also considered wholly owned affiliates. Those corporate affiliates, in turn, are required to maintain separate memberships with the Exchange. Absent the proposed change, such corporate affiliates that cannot be considered wholly owned but are under common control would not receive the same treatment as members who are considered wholly owned affiliates. Accordingly, the Exchange believes that its proposed policy is fair and equitable, and not unreasonably discriminatory in permitting both wholly owned and common control. In addition to ensuring fair and equal treatment of its members, the Exchange does not want to create incentives for its members to restructure their business operations or compliance functions simply due to the Exchange's pricing structure.

Today the Exchange offers rebates to NOM Participants under Common Ownership by permitting these members to aggregate volume as between affiliated NOM Participants. The Exchange would continue to permit NOM Participants to aggregate volume as they do today for the Customer and Professional Penny Pilot Options Rebate to Add Liquidity Tiers 5, through 8, but would also permit members to aggregate volume with respect to Customer and Professional Penny Pilot Options Rebate to Add Liquidity
Tiers 1 through 4 and all NOM Market Maker Penny Pilot Options Rebate to Add Liquidity Tiers. The Exchange believes it is reasonable to permit aggregation for all volume threshold and volume percentage pricing in Chapter XV, Section 2 and not limit such aggregation to certain Tiers as it will provide NOM Participants a greater opportunity to earn rebates. The Exchange also believes that it is equitable and not unfairly discriminatory to permit aggregation for all volume threshold and volume percentage pricing in Chapter XV, Section 2 because it is offering all NOM Participants the opportunity to aggregate volume.

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

NASDAQ does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The Exchange offers NOM Participants the opportunity to aggregate affiliated volume today and this proposal would provide additional opportunities to aggregate volume to obtain rebates. The Exchange does not believe this proposal creates an undue burden on competition as all NOM Participants have the ability to aggregate in this manner today.

The Exchange believes the differing outcomes, rebates and fees created by the Exchange’s proposed pricing incentives contribute to the overall health of the market place to the benefit of all Participants that willingly choose to transact options on NOM. For the reasons specified herein, the Exchange does not believe this proposal creates an undue burden on competition. The Exchange operates in a highly competitive market comprised of twelve U.S. options exchanges in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing
exchanges if they deem fee levels or rebate incentives at a particular exchange to be excessive or inadequate. These market forces support the Exchange’s belief that the proposed rebate structure and Tiers proposed herein are competitive with rebates and Tiers in place on other exchanges. The Exchange believes that this competitive marketplace continues to impact the rebates present on the Exchange today and substantially influences the proposals set forth above.

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 proposed rule change establishes or changes a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization pursuant to Section 19(b)(3)(A)(ii) of the Act. 11

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.

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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 Exchange’s rule text.
Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2014-114)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Common Ownership

Pursuant to Section 19(b)(1) of the Securities Act of 1934 (“Act”), and Rule 19b-4 thereunder, notice is hereby given that on November 20, 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 the definition of Common Ownership in 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, the Exchange proposes to extend the application of Common Ownership to all Chapter XV, Section 2 pricing which requires a certain volume threshold or percentage of volume to obtain certain options pricing.


3 The term “Common Ownership” shall mean Participants under 75% common ownership or control. See NOM Rules at Chapter XV.
While the changes proposed herein are effective upon filing, the Exchange has designated that the amendments be operative on December 1, 2014.

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. 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

NASDAQ proposes to modify Chapter XV, entitled “Options Pricing,” at Section 2 governing the rebates and fees assessed for option orders entered into NOM. The Exchange proposes to extend the application of Common Ownership to all Chapter XV, Section 2 pricing which requires a certain volume threshold or percentage of volume to obtain certain options pricing. Today, NOM Participants are permitted to aggregate affiliate activity to obtain certain pricing as specified in Chapter XV, Section 2, provided the NOM Participants are affiliated because they are under 75% common ownership or control with each other (“Common Ownership”). Today, the Exchange offers NOM
Participants under Common Ownership the ability to obtain certain Customer and Professional Penny Pilot Options Rebates to Add Liquidity in Tiers 5, 6, 7 and 8.

The term “Customer” applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation 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 Exchange proposes to extend Common Ownership to apply to all pricing in Chapter XV, Section 2, which would include all Customer and Professional Penny Pilot Options Rebate to Add Liquidity Tiers (1 through 8) as well as NOM Market Maker\(^7\) Penny Pilot Options Rebate to Add Liquidity Tiers (1 through 6). It would also include any other future pricing in Chapter XV, Section 2 that specifies a certain volume threshold or volume percentage to obtain certain pricing (fees or rebates). The Exchange believes that permitting NOM Participants to aggregate pricing with affiliated NOM Participants for all pricing that requires a certain volume threshold or volume percentage will enable NOM Participants to obtain higher rebates.

The Exchange proposes to amend the rule text of Chapter XV by adding the following sentence to the defined term, Common Ownership: “Common Ownership shall apply to all pricing in Chapter XV, Section 2 for which a volume threshold or volume percentage is required to obtain the pricing.” The Exchange proposes to remove all other references to Common Ownership currently within the rule text of Chapter XV, Section 2(1).

2. **Statutory Basis**

NASDAQ believes that the proposed rule changes are consistent with the

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\(^7\) For purposes of Tiers 5, 6, 7 and 8, the Exchange will allow NOM Participants under Common Ownership to aggregate their volume to qualify for the rebate.

\(^8\) 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.
provisions of Section 6 of the Act, in general, and with Section 6(b)(4) of the Act, in particular, in that they provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls as described in detail below.

The Exchange believes the rule change avoids disparate treatment of members that have divided their various business activities between separate corporate entities as compared to members that operate those business activities within a single corporate entity. By way of example, subject to appropriate information barriers, many firms that are members of the Exchange operate both a market making desk and a public customer business within the same corporate entity. In contrast, other members may be part of a corporate structure that separates those business lines into different corporate affiliates, either for business, compliance or historical reasons, and those affiliates are not also considered wholly owned affiliates. Those corporate affiliates, in turn, are required to maintain separate memberships with the Exchange. Absent the proposed change, such corporate affiliates that cannot be considered wholly owned but are under common control would not receive the same treatment as members who are considered wholly owned affiliates. Accordingly, the Exchange believes that its proposed policy is fair and equitable, and not unreasonably discriminatory in permitting both wholly owned and common control. In addition to ensuring fair and equal treatment of its members, the Exchange does not want to create incentives for its members to restructure their business operations or compliance functions simply due to the Exchange's pricing structure.


Today the Exchange offers rebates to NOM Participants under Common Ownership by permitting these members to aggregate volume as between affiliated NOM Participants. The Exchange would continue to permit NOM Participants to aggregate volume as they do today for the Customer and Professional Penny Pilot Options Rebate to Add Liquidity Tiers 5, through 8, but would also permit members to aggregate volume with respect to Customer and Professional Penny Pilot Options Rebate to Add Liquidity Tiers 1 through 4 and all NOM Market Maker Penny Pilot Options Rebate to Add Liquidity Tiers. The Exchange believes it is reasonable to permit aggregation for all volume threshold and volume percentage pricing in Chapter XV, Section 2 and not limit such aggregation to certain Tiers as it will provide NOM Participants a greater opportunity to earn rebates. The Exchange also believes that it is equitable and not unfairly discriminatory to permit aggregation for all volume threshold and volume percentage pricing in Chapter XV, Section 2 because it is offering all NOM Participants the opportunity to aggregate volume.

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

NASDAQ does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The Exchange offers NOM Participants the opportunity to aggregate affiliated volume today and this proposal would provide additional opportunities to aggregate volume to obtain rebates. The Exchange does not believe this proposal creates an undue burden on competition as all NOM Participants have the ability to aggregate in this manner today.
The Exchange believes the differing outcomes, rebates and fees created by the Exchange’s proposed pricing incentives contribute to the overall health of the market place to the benefit of all Participants that willingly choose to transact options on NOM. For the reasons specified herein, the Exchange does not believe this proposal creates an undue burden on competition. The Exchange operates in a highly competitive market comprised of twelve U.S. options exchanges in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing exchanges if they deem fee levels or rebate incentives at a particular exchange to be excessive or inadequate. These market forces support the Exchange’s belief that the proposed rebate structure and Tiers proposed herein are competitive with rebates and Tiers in place on other exchanges. The Exchange believes that this competitive marketplace continues to impact the rebates present on the Exchange today and substantially influences the proposals set forth above.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.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 necessary or appropriate in the public interest, for the protection of investors, or 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.

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-2014-114 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-2014-114. 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-2014-114 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.\textsuperscript{12}

Kevin M. O’Neill
Deputy Secretary

\textsuperscript{12} 17 CFR 200.30-3(a)(12).
NASDAQ Stock Market Rules

* * * * *

Chapter XV Options Pricing

NASDAQ Options Market Participants may be subject to the Charges for Membership, Services and Equipment in the Rule 7000 Series as well as the fees in this Chapter XV. For purposes of assessing fees and paying rebates, the following references should serve as guidance.

The term "Customer" or ("C") 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 "NOM Market Maker" or ("M") is 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.

The term "Non-NOM Market Maker" or ("O") is a registered market maker on another options exchange that is not a NOM Market Maker. A Non-NOM Market Maker must append the proper Non-NOM Market Maker designation to orders routed to NOM.

The term "Firm" or ("F") applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC.

The term "Professional" or ("P") 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 "Broker-Dealer" or ("B") applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

The term "Joint Back Office" or "JBO" applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC and is identified with an origin code as a JBO. A JBO will be priced the same as a Broker-Dealer as of September 1, 2014. A JBO participant is a Participant that maintains a JBO arrangement with a clearing broker-dealer ("JBO Broker") subject to the requirements of Regulation T Section 220.7 of the Federal Reserve System as further discussed in Chapter XIII, Section 5.

The term "Common Ownership" shall mean Participants under 75% common ownership or control. Common Ownership shall apply to all pricing in Chapter XV, Section 2 for which a volume threshold or volume percentage is required to obtain the pricing.
With respect to Chapter XV, Sections 2(1) and (2) the order that is received by the trading system first in time shall be considered an order adding liquidity and an order that trades against that order shall be considered an order removing liquidity.

* * * * *

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>*** $0.10</td>
<td>$0.10</td>
<td>$0.10</td>
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<tr>
<td>Fee for Removing Liquidity $0.48</td>
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<tr>
<td>Non-Penny Pilot Options (including NDX ¹):</td>
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<tr>
<td>Fee for Adding Liquidity N/A $0.45</td>
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<td>Fee for Removing Liquidity $0.85</td>
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<tr>
<td>Rebate to Add Liquidity $0.84 ³</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>SOX, HGX and OSX:</td>
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<tr>
<td>Fee for Adding Liquidity $0.40</td>
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<tr>
<td>Fee for Removing Liquidity $0.40</td>
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</tbody>
</table>

¹For 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.
Options, except for a Customer who will not be assessed a surcharge.

3 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>Tier</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0.20</td>
</tr>
<tr>
<td>2</td>
<td>$0.25</td>
</tr>
<tr>
<td>3</td>
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<td>5 a</td>
<td>$0.45</td>
</tr>
</tbody>
</table>

## Monthly Volume

<table>
<thead>
<tr>
<th>Tier</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0.20</td>
</tr>
<tr>
<td>2</td>
<td>$0.25</td>
</tr>
<tr>
<td>3</td>
<td>$0.42</td>
</tr>
<tr>
<td>4</td>
<td>$0.43</td>
</tr>
<tr>
<td>5 a</td>
<td>$0.45</td>
</tr>
</tbody>
</table>

- **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 ("ADV") contracts per day in a month.**

- **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.**

- **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 0.20% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month.**

- **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.**

- **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 and/or Non-Penny Pilot Options of 25,000 or more 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 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 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 Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of national customer volume in multiply-listed equity and ETF options classes in a month.

$0.45

$0.47

$0.48

$0.48 (Customer)

$0.47 (Professional)

For purposes of Tier 6, 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 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.

# 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></td>
<td></td>
</tr>
<tr>
<td>Tier</td>
<td>Description</td>
</tr>
<tr>
<td>--------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Tier 1</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>Tier 2</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>Tier 3</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 in the following symbols AAPL, QQQ, SPY and VXX</td>
</tr>
<tr>
<td>Tier 4</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 in the following symbols AAPL, QQQ, VXX and SPY</td>
</tr>
<tr>
<td>Tier 5</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>
<tr>
<td>Tier 6</td>
<td>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</td>
</tr>
</tbody>
</table>
Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.40% or more of national customer volume in multiply-listed equity and ETF options classes in a month

(2) – (5) No change.

* * * * *