

Required fields are shown with yellow backgrounds and asterisks.

Filing by Nasdaq PHLX LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

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
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

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

Proposal to relocate rules from the Phlx Pricing Schedule and current Rule 909 to the Exchange rulebook shell structure.

**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 * Principal Associate General Counsel	
E-mail * Angela.Dunn@nasdaq.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.

(Title \*)

Date 10/18/2018	Global Chief Legal and Policy Officer
By Edward S. Knight	
(Name *)	

edward.knight@nasdaq.com

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.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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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.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

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.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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.

**Exhibit 4 - Marked Copies**

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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.

**Exhibit 5 - Proposed Rule Text**

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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.

**Partial Amendment**

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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) Nasdaq PHLX, LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to (a) relocate rules from the Phlx’s Pricing Schedule (“Pricing Schedule”) and current Rule 909 to the Exchange’s rulebook’s (“Rulebook”) shell structure,<sup>3</sup> (b) eliminate the Pricing Schedule’s Table of Contents, obsolete text, and reserved rules; and (c) make conforming cross-reference changes throughout the Rulebook.

The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).<sup>4</sup>

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached 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 the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (the “Board”)

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> In 2017, the Exchange added a shell structure to its Rulebook with the purpose of improving efficiency and readability and to align its rules closer to those of its five sister exchanges, The Nasdaq Stock Market LLC; Nasdaq BX, Inc.; Nasdaq GEMX, LLC; Nasdaq ISE, LLC; and Nasdaq MRX, LLC (“Affiliated Exchanges”). See Securities Exchange Act Release No. 82169 (November 29, 2017), 82 FR 57508 (December 5, 2017) (SR-Phlx-2017-97).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

on September 19, 2017. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Angela Saccomandi Dunn  
Principal Associate General Counsel  
Nasdaq, Inc.  
215-496-5692

or

Alejandro Aguayo  
Senior Paralegal  
Nasdaq, Inc.  
301-978-8417

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

a. Purpose

The Exchange, as part of its continued effort to promote efficiency and the conformity of its processes with those of the Affiliated Exchanges, and the goal of harmonizing and uniformizing its rules, proposes to relocate the Pricing Schedule rules and Rule 909 to the Exchange's shell structure. Specifically, the Exchange will relocate the Pricing Schedule rules described below respectively into the Equity 7 and Options 7 sections of the shell structure (both named "Pricing Schedule").

In addition, the Exchange proposes to delete the current Pricing Schedule's Table of Contents and the obsolete term "Phlx XL II" at current Chapter VI., A. Moreover, the Exchange proposes not to relocate current Chapters X, XI, and XII, since these are reserved rules that do not contain any rule text. Finally, the Exchange proposes to make conforming cross-reference changes throughout the Rulebook.

(a) Table of Contents

The Exchange proposes to eliminate the existing Table of Contents in the Phlx Pricing Schedule. The Table of Contents is unnecessary. The website where the Phlx rules are listed<sup>5</sup> contains hyperlinks and a skeleton of the available rules within the site and enables market participants to view all rules in that section.

(b) Relocation of Equity Rules

The Exchange proposes to adopt, under Equity 7, Section 1 (“General Provisions”) a modified version of the current introductory text in the Pricing Schedule. Proposed Equity 7, Section 1(a) will refer to the calculation of fees in the Exchange, with a specific reference to the exception concerning disputes of Nasdaq PSX fees and proprietary data feed fees. The Exchange notes that the relocated text will not include the reference to disputes concerning fees for co-location services. The co-location services rule was recently moved to the General 8 section of the Rulebook<sup>6</sup> and the rules of the proposed Pricing Schedule will not apply to co-location services.<sup>7</sup>

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<sup>5</sup> Phlx rules are located at: <http://nasdaqphlx.cchwallstreet.com>.

<sup>6</sup> See Securities Exchange Act Release No. 83465 (June 19, 2018), 83 FR 29594 (June 25, 2018) (SR-Phlx-2018-46).

<sup>7</sup> See proposed Equity 7, Section 1(a): “Policy for amending billing information: corrections submitted after trade date and prior to the issuance of an invoice by the exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. Only members may submit trade corrections.

All billing disputes must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes must be submitted no later than sixty (60) days after receipt of a billing invoice, except for disputes concerning Nasdaq PSX fees and proprietary data feed fees. The Exchange calculates fees on a trade date basis. Only members may submit billing disputes.”

The Exchange proposes also to relocate to Equity 7, Section 1(b) the portion of the Pricing's Schedule's Preface that applies only to equities. This will include the paragraph that reads "For PSX Equities." The relocated text has no application to transactions in options and, therefore, will not be included in Options 7, Section 1(b) described below.

The Exchange proposes also to relocate and renumber Phlx Rule 909 under both Equity 7, Section 2 and Options 7, Section 2 (both named "Collection of Exchange Fees and Other Claims"). Rule 909 permits Phlx to collect undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to Rule 924.<sup>8</sup> The Exchange believes that, unlike other rules in the 900 Rules Series ("Membership"), which generally refer to the powers of the Board of Directors and the authority it delegates to Senior Management of the Exchange, the direct debit process established in Rule 909 will be better situated among the relocated rules in the Equity 7 and Options 7 titles.

Next, the Exchange proposes to relocate and renumber current Pricing Schedule's Chapter VIII ("NASDAQ PSX FEES") as Equity 7, Section 3 in the shell structure. The text of this rule will not be substantively changed other than to update the capitalization of its title.

Today, Chapter VI of the Phlx Pricing Schedule consists of rule text applicable to both equities and options. Specifically, references to floor pricing apply to the options market, as only that market has a trading floor. In Chapter VI, A. ("Permit and

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<sup>8</sup> See Securities Exchange Act Release No. 61405 (January 21, 2010), 75 FR 4888 (January 29, 2010) (SR-Phlx-2009-101) (Order Approving a Proposed Rule Change Relating to Collection of Exchange Fees).

Registration Fees”), the paragraph that describes PSX Only Permit Fees describes an equity fee. The “Application Fee,” “Application Fee for Lapsed Applications,” “Transfer of Affiliation Fee,” “Account Fee,” “Initiation Fee” and “Permit Fees” apply to both equities and options. Finally, the “Inactive Nominee Fee” and the “Clerk Fee” are floor fees and therefore apply to options only.<sup>9</sup>

The Exchange proposes to adopt Equity 7, Section 4 (“Membership Fees”), A. (“Permit and Registration Fees”) by adapting text from current Chapter VI, A. of the Pricing Schedule. Specifically, as previously noted, Equity 7, Section 4, A. will consist of the following fees: “Application Fee,” “Application Fee for Lapsed Applications,” “Transfer of Affiliation Fee,” “Account Fee,” “Initiation Fee,” and “Permit Fees.” Proposed Equity 7, Section 4 will also include text from the current rule which is only applicable to PSX transactions; thus, the Exchange proposes to relocate the text under the subheading “PSX Only Permit Fees.”

Additionally, the Exchange will relocate the callout (“\*”) and respective footnote that accompany the “Application Fee,” “Application Fee for Lapsed Applications,” “Account Fee,” and “Initiation Fee” subheadings; this is because the footnote is exclusively applicable to those who only apply for PSX membership, and therefore should be moved to the Equity 7 title.

The Exchange notes that it will not relocate the obsolete term “Phlx XL II” used in the footnote described above; the term is a legacy reference and its removal will not affect the rights of prospective or existing members of the Exchange.

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<sup>9</sup> As explained later, the Exchange is proposing to adopt a parallel rule under the Options 7, Section 8 (“Membership Fees”), with fees applicable to both options and equities and relocate only the subsections from Chapter VI that apply to options.

The Exchange will thus relocate and renumber the above-referenced rules as follows:

<b>Equity 7 – Pricing Schedule (Proposed)</b>	<b>Schedule of Fees (Current)</b>
Section 1. General Provisions – (a)	<i>Pricing Schedule’s Introduction</i>
Section 1. General Provisions – (b)	PREFACE
Section 2. Collection of Exchange Fees and Other Claims	Rule 909. Collection of Exchange Fees and Other Claims
Section 3. Nasdaq PSX Fees	VIII. NASDAQ PSX FEES
Section 4. Membership Fees	VI. Membership Fees

(c) Relocation of Options Rules

The Exchange proposes to adopt, under Options 7, Section 1(a), a modified version of the current introductory section in the Pricing Schedule. Proposed Options 7, Section 1(a) will refer to the calculation of fees in the Exchange, with a specific reference to the exception concerning disputes of proprietary data fees, which applies to transactions in options. The Exchange believes that this change will improve the readability of the rules relocated under the Options 7 title.

The Exchange also proposes to adopt under Options 7, Section 1(b) the text from the Pricing Schedule’s Preface that applies only to transactions in options. Specifically, proposed Options 7, Section 1(b) will contain the text that opens with “For Phlx Options”; the definitions of “Customer”; “Specialist”; “ROT, SQT and RSQT”; “Market Maker”; “Registered Option Trader”; “Streaming Quote Trader”; “Remote Streaming Quote Trader”; “Firm”; “Professional”; “Broker-Dealer”; “Joint Back Office”; “Common Ownership”; and “Non-Customer”; and the rules that apply to options transactions fees or



rebates described under the subsection “For Purposes of Common Ownership Aggregation of Activity of Affiliated Members and Member Organizations,” including the terms “Appointed MM,” “Appointed OFP,” and “Affiliated Entity.”

The Exchange additionally proposes that Subsections A and B (respectively, “Mini Options Fees” and “Customer Rebate Program”) in the Pricing Schedule’s Preface remain unchanged and be relocated to proposed Options 7, Section 1(b).

As previously explained, the Exchange proposes also to adopt a rule, under Options 7, Section 2, for the collection of undisputed fees or other monies identical to current Phlx Rule 909 (“Collection of Exchange Fees and Other Claims”), which will parallel the rule under Equity 7, Section 2.

The Exchange proposes also to relocate, renumber, and add the word “Section” to each of the following chapters in the Pricing Schedule: I (“Rebates and Fees for Adding and Removing Liquidity in SPY”); II (“Multiply Listed Options Fees”), III (“Singly Listed Options”); IV (“Other Transaction Fees”); V (“Routing Fees”); VII (“Other Member Fees”); IX (“Proprietary Data Feed Fees”); and XIII (“Access and Redistribution Fee”).

With respect to the text in current Chapter VI of the Pricing Schedule, as previously explained, the Exchange proposes to adopt Options 7, Section 8, A. (“Permit and Registration Fees”) which will include text applicable to both equities and options (the “Application Fee,” “Application Fee for Lapsed Applications,” “Transfer of Affiliation Fee,” “Account Fee,” “Initiation Fee,” and “Permit Fees.”).

The Exchange proposes also to remove the callout (“\*”) from the Application, Account, and Initiation fees’ subheadings since such footnote is applicable to those who only apply for membership with PSX.

Moreover, the Exchange proposes to include under Options 7, Section 8, A. portions of text from Chapter VI which apply only to transactions in options (namely, “Phlx Permit Fees,” “Inactive Nominee Fee,” and “Clerk Fee”). The Exchange additionally proposes to relocate to Options 7, Section 8, subsections B. (“Streaming Quote Trader Fees”), C. (“Remote Market Maker Organization Fee”) and D. (“Remote Specialist Fee”) from current Chapter VI.

The proposed relocation of options rules can be summarized as follows:

<b>Options 7 – Pricing Schedule (Proposed)</b>	<b>Schedule of Fees (Current)</b>
Section 1. General Provisions – (a)	<i>Pricing Schedule’s Introduction</i>
Section 1. General Provisions – (b)	PREFACE A. Mini Option Fees B. Customer Rebate Program
Section 2. Collection of Exchange Fees and Other Claims	Rule 909. Collection of Exchange Fees and Other Claims
Section 3. Rebates and Fees for Adding and Removing Liquidity in SPY	I. Rebates and Fees for Adding and Removing Liquidity in SPY
Section 4. Multiply Listed Options Fees	II. Multiply Listed Options Fees
Section 5. Singly Listed Options	III. Singly Listed Options
Section 6. Other Transaction Fees	IV. Other Transaction Fees
Section 7. Routing Fees	V. Routing Fees
Section 8. Membership Fees	VI. Membership Fees
Section 9. Other Member Fees	VII. Other Member Fees

<b>Options 7 – Pricing Schedule (Proposed)</b>	<b>Schedule of Fees (Current)</b>
Section 10. Proprietary Data Feed Fees	IX. Proprietary Data Feed Fees
Section 11. Access and Redistribution Fee	XIII. Access and Redistribution Fee

The Exchange believes that the changes previously explained are non-substantive and that they will facilitate the use of the Rulebook by Members<sup>10</sup> of the Exchange, including those who are members of other Affiliated Exchanges, and other market participants.

(d) Pricing Schedule Rules to be Removed

The Exchange proposes Pricing Schedule’s Chapters X, XI, and XII not to be relocated to the shell structure and that they be removed from the Rulebook. The aforementioned sections are currently marked as “Reserved” and their relocation to the shell structure is unnecessary since the Exchange may amend and create new rules if needed.

(e) Cross-Reference Updates

In connection with the changes described above, the Exchange proposes to update all cross-references in the Rulebook that direct the reader to the current location of the Pricing Schedule rules and/or any of their subsections.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>11</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>12</sup> in particular,

<sup>10</sup> Exchange Rule 100(a)(32).

<sup>11</sup> 15 U.S.C. 78f(b).

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, by promoting efficiency and the structural conformity of the Exchange's processes with those of the Affiliated Exchanges and to make the Exchange's Rulebook easier to read and more accessible to its Members and market participants. The Exchange believes that the relocation and renumbering of rules in the Equity 7 and Options 7 Pricing Schedules, related cross-reference updates, and the deletion of the Table of Contents, the obsolete term "Phlx XL II," and unused Pricing Schedule chapters are of a non-substantive nature.

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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes do not impose a burden on competition because, as previously stated, they (i) are of a non-substantive nature, (ii) are intended to harmonize the structure of the Exchange's rules with those of its Affiliated Exchanges, and (iii) are intended to organize the Rulebook in a way that it will ease the Members' and market participants' navigation and reading of the Equities' and Options' Pricing Schedules.

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.

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<sup>12</sup> 15 U.S.C. 78f(b)(5).

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)(iii)<sup>13</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>14</sup> 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 does not believe that the relocation, renumbering, and related changes to Pricing Schedule rules; the deletion of the Table of Contents, the obsolete term “Phlx XL II,” and unused chapters; and the cross-reference updates previously described will significantly affect the protection of investors or the public interest because the proposed changes are only intended to relocate the rules and update their cross-references. Moreover, the Exchange does not believe that this proposal will impose any significant burden on competition because, as explained, the changes are non-substantive, are intended to align the structure of the Exchange’s Rulebook to the Affiliated Exchanges’ and generally seek to improve the organization and readability of the Exchange’s rules.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).

subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange can promptly relocate the Pricing Schedule rules and continue to reorganize its Rulebook as done in previous rule filings. The Exchange believes that its proposal will protect investors and the public interest, by promoting efficiency and structural conformity of the Exchange's processes with those of the Affiliated Exchanges and to make the Exchange's Rulebook easier to read and more accessible to its Members, market participants, and the general public.

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 Change for publication in the Federal Register.
5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-Phlx-2018-66)

October \_\_, 2018

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Relocate the Pricing Schedule Rules

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 18, 2018, Nasdaq PHLX LLC (“Phlx” 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 the Exchange. 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

The Exchange proposes to (a) relocate rules from the Phlx’s Pricing Schedule (“Pricing Schedule”) and current Rule 909 to the Exchange’s rulebook’s (“Rulebook”) shell structure,<sup>3</sup> (b) eliminate the Pricing Schedule’s Table of Contents, obsolete text, and reserved rules; and (c) make conforming cross-reference changes throughout the Rulebook.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> In 2017, the Exchange added a shell structure to its Rulebook with the purpose of improving efficiency and readability and to align its rules closer to those of its five sister exchanges, The Nasdaq Stock Market LLC; Nasdaq BX, Inc.; Nasdaq GEMX, LLC; Nasdaq ISE, LLC; and Nasdaq MRX, LLC (“Affiliated Exchanges”). See Securities Exchange Act Release No. 82169 (November 29, 2017), 82 FR 57508 (December 5, 2017) (SR-Phlx-2017-97).



The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqphlx.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 Exchange, as part of its continued effort to promote efficiency and the conformity of its processes with those of the Affiliated Exchanges, and the goal of harmonizing and uniformizing its rules, proposes to relocate the Pricing Schedule rules and Rule 909 to the Exchange's shell structure. Specifically, the Exchange will relocate the Pricing Schedule rules described below respectively into the Equity 7 and Options 7 sections of the shell structure (both named "Pricing Schedule").

In addition, the Exchange proposes to delete the current Pricing Schedule's Table of Contents and the obsolete term "Phlx XL II" at current Chapter VI., A. Moreover, the Exchange proposes not to relocate current Chapters X, XI, and XII, since these are reserved rules that do not contain any rule text. Finally, the Exchange proposes to make conforming cross-reference changes throughout the Rulebook.

(a) Table of Contents

The Exchange proposes to eliminate the existing Table of Contents in the Phlx Pricing Schedule. The Table of Contents is unnecessary. The website where the Phlx rules are listed<sup>4</sup> contains hyperlinks and a skeleton of the available rules within the site and enables market participants to view all rules in that section.

(b) Relocation of Equity Rules

The Exchange proposes to adopt, under Equity 7, Section 1 (“General Provisions”) a modified version of the current introductory text in the Pricing Schedule. Proposed Equity 7, Section 1(a) will refer to the calculation of fees in the Exchange, with a specific reference to the exception concerning disputes of Nasdaq PSX fees and proprietary data feed fees. The Exchange notes that the relocated text will not include the reference to disputes concerning fees for co-location services. The co-location services rule was recently moved to the General 8 section of the Rulebook<sup>5</sup> and the rules of the proposed Pricing Schedule will not apply to co-location services.<sup>6</sup>

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<sup>4</sup> Phlx rules are located at: <http://nasdaqphlx.cchwallstreet.com>.

<sup>5</sup> See Securities Exchange Act Release No. 83465 (June 19, 2018), 83 FR 29594 (June 25, 2018) (SR-Phlx-2018-46).

<sup>6</sup> See proposed Equity 7, Section 1(a): “Policy for amending billing information: corrections submitted after trade date and prior to the issuance of an invoice by the exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. Only members may submit trade corrections.

All billing disputes must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes must be submitted no later than sixty (60) days after receipt of a billing invoice, except for disputes concerning Nasdaq PSX fees and proprietary data feed fees. The Exchange calculates fees on a trade date basis. Only members may submit billing disputes.”

The Exchange proposes also to relocate to Equity 7, Section 1(b) the portion of the Pricing's Schedule's Preface that applies only to equities. This will include the paragraph that reads "For PSX Equities." The relocated text has no application to transactions in options and, therefore, will not be included in Options 7, Section 1(b) described below.

The Exchange proposes also to relocate and renumber Phlx Rule 909 under both Equity 7, Section 2 and Options 7, Section 2 (both named "Collection of Exchange Fees and Other Claims"). Rule 909 permits Phlx to collect undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to Rule 924.<sup>7</sup> The Exchange believes that, unlike other rules in the 900 Rules Series ("Membership"), which generally refer to the powers of the Board of Directors and the authority it delegates to Senior Management of the Exchange, the direct debit process established in Rule 909 will be better situated among the relocated rules in the Equity 7 and Options 7 titles.

Next, the Exchange proposes to relocate and renumber current Pricing Schedule's Chapter VIII ("NASDAQ PSX FEES") as Equity 7, Section 3 in the shell structure. The text of this rule will not be substantively changed other than to update the capitalization of its title.

Today, Chapter VI of the Phlx Pricing Schedule consists of rule text applicable to both equities and options. Specifically, references to floor pricing apply to the options market, as only that market has a trading floor. In Chapter VI, A. ("Permit and

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<sup>7</sup> See Securities Exchange Act Release No. 61405 (January 21, 2010), 75 FR 4888 (January 29, 2010) (SR-Phlx-2009-101) (Order Approving a Proposed Rule Change Relating to Collection of Exchange Fees).

Registration Fees”), the paragraph that describes PSX Only Permit Fees describes an equity fee. The “Application Fee,” “Application Fee for Lapsed Applications,” “Transfer of Affiliation Fee,” “Account Fee,” “Initiation Fee” and “Permit Fees” apply to both equities and options. Finally, the “Inactive Nominee Fee” and the “Clerk Fee” are floor fees and therefore apply to options only.<sup>8</sup>

The Exchange proposes to adopt Equity 7, Section 4 (“Membership Fees”), A. (“Permit and Registration Fees”) by adapting text from current Chapter VI, A. of the Pricing Schedule. Specifically, as previously noted, Equity 7, Section 4, A. will consist of the following fees: “Application Fee,” “Application Fee for Lapsed Applications,” “Transfer of Affiliation Fee,” “Account Fee,” “Initiation Fee,” and “Permit Fees.” Proposed Equity 7, Section 4 will also include text from the current rule which is only applicable to PSX transactions; thus, the Exchange proposes to relocate the text under the subheading “PSX Only Permit Fees.”

Additionally, the Exchange will relocate the callout (“\*”) and respective footnote that accompany the “Application Fee,” “Application Fee for Lapsed Applications,” “Account Fee,” and “Initiation Fee” subheadings; this is because the footnote is exclusively applicable to those who only apply for PSX membership, and therefore should be moved to the Equity 7 title.

The Exchange notes that it will not relocate the obsolete term “Phlx XL II” used in the footnote described above; the term is a legacy reference and its removal will not affect the rights of prospective or existing members of the Exchange.

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<sup>8</sup> As explained later, the Exchange is proposing to adopt a parallel rule under the Options 7, Section 8 (“Membership Fees”), with fees applicable to both options and equities and relocate only the subsections from Chapter VI that apply to options.

The Exchange will thus relocate and renumber the above-referenced rules as follows:

<b>Equity 7 – Pricing Schedule (Proposed)</b>	<b>Schedule of Fees (Current)</b>
Section 1. General Provisions – (a)	<i>Pricing Schedule’s Introduction</i>
Section 1. General Provisions – (b)	PREFACE
Section 2. Collection of Exchange Fees and Other Claims	Rule 909. Collection of Exchange Fees and Other Claims
Section 3. Nasdaq PSX Fees	VIII. NASDAQ PSX FEES
Section 4. Membership Fees	VI. Membership Fees

(c) Relocation of Options Rules

The Exchange proposes to adopt, under Options 7, Section 1(a), a modified version of the current introductory section in the Pricing Schedule. Proposed Options 7, Section 1(a) will refer to the calculation of fees in the Exchange, with a specific reference to the exception concerning disputes of proprietary data fees, which applies to transactions in options. The Exchange believes that this change will improve the readability of the rules relocated under the Options 7 title.

The Exchange also proposes to adopt under Options 7, Section 1(b) the text from the Pricing Schedule’s Preface that applies only to transactions in options. Specifically, proposed Options 7, Section 1(b) will contain the text that opens with “For Phlx Options”; the definitions of “Customer”; “Specialist”; “ROT, SQT and RSQT”; “Market Maker”; “Registered Option Trader”; “Streaming Quote Trader”; “Remote Streaming Quote Trader”; “Firm”; “Professional”; “Broker-Dealer”; “Joint Back Office”; “Common Ownership”; and “Non-Customer”; and the rules that apply to options transactions fees or

rebates described under the subsection “For Purposes of Common Ownership Aggregation of Activity of Affiliated Members and Member Organizations,” including the terms “Appointed MM,” “Appointed OFP,” and “Affiliated Entity.”

The Exchange additionally proposes that Subsections A and B (respectively, “Mini Options Fees” and “Customer Rebate Program”) in the Pricing Schedule’s Preface remain unchanged and be relocated to proposed Options 7, Section 1(b).

As previously explained, the Exchange proposes also to adopt a rule, under Options 7, Section 2, for the collection of undisputed fees or other monies identical to current Phlx Rule 909 (“Collection of Exchange Fees and Other Claims”), which will parallel the rule under Equity 7, Section 2.

The Exchange proposes also to relocate, renumber, and add the word “Section” to each of the following chapters in the Pricing Schedule: I (“Rebates and Fees for Adding and Removing Liquidity in SPY”); II (“Multiply Listed Options Fees”), III (“Singly Listed Options”); IV (“Other Transaction Fees”); V (“Routing Fees”); VII (“Other Member Fees”); IX (“Proprietary Data Feed Fees”); and XIII (“Access and Redistribution Fee”).

With respect to the text in current Chapter VI of the Pricing Schedule, as previously explained, the Exchange proposes to adopt Options 7, Section 8, A. (“Permit and Registration Fees”) which will include text applicable to both equities and options (the “Application Fee,” “Application Fee for Lapsed Applications,” “Transfer of Affiliation Fee,” “Account Fee,” “Initiation Fee,” and “Permit Fees.”).

The Exchange proposes also to remove the callout (“\*”) from the Application, Account, and Initiation fees’ subheadings since such footnote is applicable to those who only apply for membership with PSX.

Moreover, the Exchange proposes to include under Options 7, Section 8, A. portions of text from Chapter VI which apply only to transactions in options (namely, “Phlx Permit Fees,” “Inactive Nominee Fee,” and “Clerk Fee”). The Exchange additionally proposes to relocate to Options 7, Section 8, subsections B. (“Streaming Quote Trader Fees”), C. (“Remote Market Maker Organization Fee”) and D. (“Remote Specialist Fee”) from current Chapter VI.

The proposed relocation of options rules can be summarized as follows:

<b>Options 7 – Pricing Schedule (Proposed)</b>	<b>Schedule of Fees (Current)</b>
Section 1. General Provisions – (a)	<i>Pricing Schedule’s Introduction</i>
Section 1. General Provisions – (b)	PREFACE A. Mini Option Fees B. Customer Rebate Program
Section 2. Collection of Exchange Fees and Other Claims	Rule 909. Collection of Exchange Fees and Other Claims
Section 3. Rebates and Fees for Adding and Removing Liquidity in SPY	I. Rebates and Fees for Adding and Removing Liquidity in SPY
Section 4. Multiply Listed Options Fees	II. Multiply Listed Options Fees
Section 5. Singly Listed Options	III. Singly Listed Options
Section 6. Other Transaction Fees	IV. Other Transaction Fees
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Section 8. Membership Fees	VI. Membership Fees
Section 9. Other Member Fees	VII. Other Member Fees

<b>Options 7 – Pricing Schedule (Proposed)</b>	<b>Schedule of Fees (Current)</b>
Section 10. Proprietary Data Feed Fees	IX. Proprietary Data Feed Fees
Section 11. Access and Redistribution Fee	XIII. Access and Redistribution Fee

The Exchange believes that the changes previously explained are non-substantive and that they will facilitate the use of the Rulebook by Members<sup>9</sup> of the Exchange, including those who are members of other Affiliated Exchanges, and other market participants.

(d) Pricing Schedule Rules to be Removed

The Exchange proposes Pricing Schedule’s Chapters X, XI, and XII not to be relocated to the shell structure and that they be removed from the Rulebook. The aforementioned sections are currently marked as “Reserved” and their relocation to the shell structure is unnecessary since the Exchange may amend and create new rules if needed.

(e) Cross-Reference Updates

In connection with the changes described above, the Exchange proposes to update all cross-references in the Rulebook that direct the reader to the current location of the Pricing Schedule rules and/or any of their subsections.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular,

<sup>9</sup> Exchange Rule 100(a)(32).

<sup>10</sup> 15 U.S.C. 78f(b).



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, by promoting efficiency and the structural conformity of the Exchange's processes with those of the Affiliated Exchanges and to make the Exchange's Rulebook easier to read and more accessible to its Members and market participants. The Exchange believes that the relocation and renumbering of rules in the Equity 7 and Options 7 Pricing Schedules, related cross-reference updates, and the deletion of the Table of Contents, the obsolete term "Phlx XL II," and unused Pricing Schedule chapters are of a non-substantive nature.

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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes do not impose a burden on competition because, as previously stated, they (i) are of a non-substantive nature, (ii) are intended to harmonize the structure of the Exchange's rules with those of its Affiliated Exchanges, and (iii) are intended to organize the Rulebook in a way that it will ease the Members' and market participants' navigation and reading of the Equities' and Options' Pricing Schedules.

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.

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<sup>11</sup> 15 U.S.C. 78f(b)(5).

### 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)(iii) of the Act<sup>12</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>13</sup>

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:

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>13</sup> 17 CFR 240.19b-4(f)(6). In addition, 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.

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](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2018-66 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-Phlx-2018-66. 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-Phlx-2018-66 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.<sup>14</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**Nasdaq PHLX Rules**

\* \* \* \* \*

**[Rule 909. Collection of Exchange Fees and Other Claims**

(a) Each member organization, and all applicants for registration as such shall be required to provide a clearing account number for an account at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to Rule 924. If a member disputes an invoice, the Exchange will not include the disputed amount in the debit if the member has disputed the amount in writing to the Exchange's designated staff by the 15th of the month, or the following business day if the 15th is not a business day, and the amount in dispute is at least \$10,000 or greater.]

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**[NASDAQ PHLX LLC PRICING SCHEDULE  
THE EXCHANGE CALCULATES FEES ON A TRADE DATE BASIS.**

**POLICY FOR AMENDING BILLING INFORMATION: CORRECTIONS  
SUBMITTED AFTER TRADE DATE AND PRIOR TO THE ISSUANCE OF AN  
INVOICE BY THE EXCHANGE MUST BE SUBMITTED TO THE EXCHANGE  
IN WRITING AND MUST BE ACCOMPANIED BY SUPPORTING  
DOCUMENTATION. ONLY MEMBERS MAY SUBMIT TRADE  
CORRECTIONS.**

**ALL BILLING DISPUTES MUST BE SUBMITTED TO THE EXCHANGE IN  
WRITING AND MUST BE ACCOMPANIED BY SUPPORTING  
DOCUMENTATION. ALL DISPUTES MUST BE SUBMITTED NO LATER  
THAN SIXTY (60) DAYS AFTER RECEIPT OF A BILLING INVOICE, EXCEPT  
FOR DISPUTES CONCERNING NASDAQ PSX FEES, PROPRIETARY DATA  
FEED FEES AND CO-LOCATION SERVICES FEES. THE EXCHANGE  
CALCULATES FEES ON A TRADE DATE BASIS. ONLY MEMBERS MAY  
SUBMIT BILLING DISPUTES.**

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## **PREFACE**

For Phlx Options: Any day that the market is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from the ADV calculation or calculation based on a percentage of industry volume; provided that the Exchange will only remove the day for members that would have a lower ADV or percentage of industry volume with the day included. If a day is removed from a calculation based on a percentage of monthly industry volume, volume executed that day will be removed from both the numerator and the denominator of the calculation.

For purposes of assessing options fees and paying rebates, the following references should serve as guidance.

The term "**Customer**" applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of a broker or dealer or for the account of a "Professional" (as that term is defined in Rule 1000(b)(14)).

The term "**Specialist**" applies to transactions for the account of a Specialist (as defined in Exchange Rule 1020(a)). A Specialist is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a). An options Specialist includes a Remote Specialist which is defined as an options specialist in one or more classes that does not have a physical presence on an Exchange floor and is approved by the Exchange pursuant to Rule 501.

The term "**ROT, SQT and RSQT**" applies to transactions for the accounts of Registered Option Traders ("ROTs"), Streaming Quote Traders ("SQTs"), and Remote Streaming Quote Traders ("RSQTs"). For purposes of the Pricing Schedule, the term "**Market**

**Maker**" will be utilized to describe fees and rebates applicable to ROTs, SQTs and RSQTs. RSQTs may also be referred to as Remote Market Markers ("RMMs").

The term "**Registered Option Trader**" is defined in Exchange Rule 1014(b) as a regular member of the Exchange located on the trading floor who has received permission from the Exchange to trade in options for his own account. A ROT includes SQTs and RSQTs as well as on and off-floor ROTS.

The term "**Streaming Quote Trader**" is defined in Exchange Rule 1014(b)(ii)(A) as an ROT who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned.

The term "**Remote Streaming Quote Trader**" is defined in Exchange Rule in 1014(b)(ii)(B) as an ROT that is a member affiliated with an RSQTO with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. A Remote Streaming Quote Trader Organization or "RSQTO," which may also be referred to as a Remote Market Making Organization ("RMO"), is a member organization in good standing that satisfies the RSQTO readiness requirements in Rule 507(a).

The term "**Firm**" applies to any transaction that is identified by a member or member organization for clearing in the Firm range at OCC.

The term "**Professional**" applies to transactions for the accounts of Professionals, as defined in Exchange Rule 1000(b)(14) 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).

The term "**Broker-Dealer**" 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 member or member organization 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. A JBO participant is a member, member organization or non-member organization 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 at Exchange Rule 703.

The term "**Common Ownership**" shall mean members or member organizations under 75% common ownership or control.

The term "**Non-Customer**" applies to transactions for the accounts of Specialists, Market Makers, Firms, Professionals, Broker-Dealers and JBOs.



**For Purposes of Common Ownership Aggregation of Activity of Affiliated Members and Member Organizations**

- (a) For purposes of applying any options transaction fee or rebate where the fee assessed, or rebate provided by the Exchange depends upon the volume of a member or member organization's activity, a member or member organization may request that the Exchange aggregate its activity with the activity of its affiliates.
- (1) A member or member organization requesting aggregation of affiliate activity shall be required to certify to the Exchange the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform the Exchange immediately of any event that causes an entity to cease to be an affiliate. The Exchange shall review available information regarding the entities, and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.
- (2) If two or more members or member organizations become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more members or member organizations become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.
- (b) For purposes of applying any option transaction fee or rebate where the fee assessed, or rebate provided by the Exchange depends upon the volume of a member or member organization's activity, references to an entity (including references to a "member" or "member organization") shall be deemed to include the entity and its affiliates that have been approved for aggregation.
- (c) For purposes of this provision, the term "affiliate" of a member or member organization shall mean any member or member organization under 75% common ownership or control of that member or member organization.

For PSX Equities: For purposes of determining average daily volume or volume-based pricing hereunder, any day that the market is not open for the entire trading day will be excluded from such calculation.

The term "**Appointed MM**" is a Phlx Market Maker or Specialist who has been appointed by an Order Flow Provider ("OFP") for purposes of qualifying as an Affiliated Entity. An OFP is a member or member organization that submits orders, as agent or principal, to the Exchange.

The term "**Appointed OFP**" is an OFP who has been appointed by a Phlx Market Maker or Specialist for purposes of qualifying as an Affiliated Entity.

The term "**Affiliated Entity**" is a relationship between an Appointed MM and an Appointed OFP for purposes of qualifying for certain pricing specified in the Pricing Schedule. Market Makers or Specialists, and OFPs are required to send an email to the Exchange to appoint their counterpart, at least 3 business days prior to the last day of the month to qualify for the next month. The Exchange will acknowledge receipt of the emails and specify the date the Affiliated Entity is eligible for applicable pricing, as specified in the Pricing Schedule. Each Affiliated Entity relationship will commence on the 1st of a month and may not be terminated prior to the end of any month. An Affiliated Entity relationship will terminate after a one (1) year period, unless either party terminates earlier in writing by sending an email to the Exchange at least 3 business days prior to the last day of the month to terminate for the next month. Affiliated Entity relationships must be renewed annually. Members and member organizations under Common Ownership may not qualify as a counterparty comprising an Affiliated Entity. Each member or member organization may qualify for only one (1) Affiliated Entity relationship at any given time.

#### **A. Mini Options Fees**

The following fees will apply to Mini Options as specified in Rule 1012, Commentary .13.

	<b>Customer</b>	<b>Professional</b>	<b>Specialist and Market Maker</b>	<b>Broker- Dealer</b>	<b>Firm</b>
Mini Options Transaction Fee - Electronic Adding Liquidity	\$0.00	\$0.03	\$0.02	\$0.03	\$0.03
Mini Options Transaction Fee - Electronic Removing Liquidity	\$0.00	\$0.09	\$0.04	\$0.09	\$0.09
Mini Options Transaction Fee - Floor and QCC	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09

For executions that occur as part of PIXL, the following fees and rebates will apply:

- Initiating Order: \$0.015 per contract

- PIXL Order (Contra-party to the Initiating Order): Customer is \$0.00 and all others will be assessed a transaction fee of \$0.03 per contract.
- PIXL Order (Contra-party to other than the Initiating Order): Customer will be assessed a transaction fee of \$0.00 and all others will be assessed a transaction fee of \$0.03 per contract. The contra-party will be assessed a transaction fee of \$0.03 per contract.

Payment for Order Flow fees will be as follows:

- Penny Pilot Options: \$0.02
- All Other Options: \$0.06

QCC Transaction Fees and rebates defined in Section II do not apply to Mini Options.

Routing Fees set forth in Section V apply to Mini Options.

The Monthly Market Maker Cap and the Monthly Firm Fee Cap set forth in Section II as well as other options transaction fee caps, discounts or rebates will not apply to transactions in Mini Options.

Mini Options volume will be included in the calculations for the Customer Rebate Program eligibility but will not be eligible to receive the rebates associated with the Customer Rebate Program.

**B. Customer Rebate Program**

The Customer Rebate Tiers described below will be calculated by totaling Customer volume in Multiply Listed Options (including SPY) that are electronically-delivered and executed, except volume associated with electronic QCC Orders, as defined in Exchange Rule 1080(o). Rebates will be paid on Customer Rebate Tiers according to the below categories. Members and member organizations under Common Ownership may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. Affiliated Entities may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates.

Customer Rebate Tiers	Percentage Thresholds of National Customer Volume in Multiply-Listed Equity and ETF Options Classes, excluding SPY Options (Monthly)	Category A	Category B	Category C	Category D

Tier 1	0.00% - 0.60%	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2	Above 0.60% - 1.10%	\$0.10*	\$0.10*	\$0.16* <sup>#</sup>	\$0.21* <sup>#</sup>
Tier 3	Above 1.10% - 1.60%	\$0.15	\$0.12*	\$0.18* <sup>#</sup>	\$0.22* <sup>#</sup>
Tier 4	Above 1.60% - 2.50%	\$0.20	\$0.16	\$0.22 <sup>#</sup>	\$0.26 <sup>#</sup>
Tier 5	Above 2.50%	\$0.21	\$0.17	\$0.22 <sup>#</sup>	\$0.27 <sup>#</sup>

Category A: Rebate will be paid to members executing electronically-delivered Customer Simple Orders in Penny Pilot Options and Customer Simple Orders in Non-Penny Pilot Options in Section II symbols.

Category B: Rebate will be paid on Customer PIXL Orders in Section II symbols that execute against non-Initiating Order interest. In the instance where member organizations qualify for Tier 4 or higher in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of \$0.14 per contract. Rebates on Customer PIXL Orders will be capped at 4,000 contracts per order for Simple PIXL Orders.

Category C: Rebate will be paid to members executing electronically-delivered Customer Complex Orders in Penny Pilot Options in Section II symbols. Rebate will be paid on Customer PIXL Complex Orders in Section II symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will not be paid a rebate under any circumstances. The Category C Rebate will not be paid when an electronically-delivered Customer Complex Order, including Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Category D: Rebate will be paid to members executing electronically-delivered Customer Complex Orders in Non-Penny Pilot Options in Section II symbols. Rebate will be paid on Customer PIXL Complex Orders in Section II symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will not be paid a rebate under any circumstances. The Category D Rebate will not be paid when an electronically-delivered Customer Complex Order, including Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Rebates will not be paid on NDX or NDXP contracts in any Category, however NDX and NDXP contracts will count toward the volume requirement to qualify for a Customer Rebate Tier.

\*The Exchange will pay a \$0.02 per contract Category A and B rebate and a \$0.03 per contract Category C and D rebate in addition to the applicable Tier 2 and 3 rebate, provided the Specialist, Market Maker or Appointed MM has reached the Monthly

Market Maker Cap as defined in Section II, to: (1) a Specialist or Market Maker who is not under Common Ownership or is not a party of an Affiliated Entity; or (2) an OFP member or member organization affiliate under Common Ownership; or (3) an Appointed OFP of an Affiliated Entity.

#The Exchange will pay a \$0.05 per contract Category C and D rebate in addition to the applicable Tier 2, 3, 4 and 5 rebates to members or member organizations or member or member organization affiliated under Common Ownership provided the member or member organization qualified for any MARS Payments in Section IV, Part E.

**I. Rebates and Fees for Adding and Removing Liquidity in SPY**

With respect to Section I of this Pricing Schedule, 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, except with respect to orders that trigger an order exposure alert. Customer volume attributable to this section will be included in the calculation of Customer volume in Multiply Listed Options that are electronically-delivered and executed for purposes of the Customer Rebate Program in Section B. However, the rebates defined in Section B will not apply to electronic executions in SPY.

**Part A. Simple Order**

	Customer	Specialist	Market Maker	Firm	Broker-Dealer	Professional
Rebate for Adding Liquidity	\$0.00	*	*	\$0.00	\$0.00	\$0.00
Fee for Removing Liquidity	\$0.45	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48

\* The Simple Order Rebate for Adding Liquidity will be paid as noted below to Specialists and Market Makers adding the requisite amount of electronically executed Specialist and Market Maker Simple Order contracts per day in a month in SPY:

Tiers	Average Daily Volume "ADV"	Rebate for Adding Liquidity
1	1 to 2,499	\$0.15
2	2,500 to 4,999	\$0.18
3	5,000 to 19,999	\$0.21

4	20,000 to 34,999	\$0.27
5	35,000 to 49,999	\$0.30
6	greater than 49,999	\$0.35

### Part B. Complex Order

	Customer Specialist	Market Maker	Firm	Broker-Dealer	Professional
Fee for Adding Liquidity	\$0.00	\$0.10	\$0.10	\$0.10	\$0.10
Fee for Removing Liquidity	\$0.00	\$0.43	\$0.43	\$0.50	\$0.50

- Complex Order Fees for Removing Liquidity, applicable to Specialists and Market Makers, will be decreased by \$0.02 per contract when the Specialist or Market Maker transacts against a Customer Order directed to that Specialist or Market Maker for execution.
- Simple Orders that are executed against the individual components of Complex Orders will be assessed the fees and rebates in Part A. However, the individual components of such a Complex Order will be assessed the fees in Part B.
- Customers will be assessed \$0.00 per contract and all other market participants will be assessed \$0.15 per contract for executions against an order for which the Exchange broadcasts an order exposure alert in SPY.
- Customers will be assessed a \$0.15 per contract surcharge to the extent that they execute the individual components of their Complex Orders in SPY against Market Maker or Specialist quotes that are resting on the Simple Order Book.

### Part C. The following will apply to fees in Parts A and B:

- The Monthly Market Maker Cap on transaction fees that are currently applicable to Market Makers and Specialists transacting Multiply Listed Options will not be applicable to electronic transactions in the SPY, except for QCC Transaction Fees.

- The Monthly Firm Fee Cap will apply to floor transactions and QCC electronic and QCC floor transactions in SPY.
- Marketing Fees defined in Section II will not be collected on transactions in SPY.
- The Cancellation Fee for each cancelled electronically delivered Professional AON order will continue to apply to the SPY. The Cancellation Fee will not apply for each cancelled electronically delivered Customer order in SPY.
- Transactions in SPY originating on the Exchange floor will be subject to the Multiply Listed Options Fees (see Multiply Listed Options Fees in Section II). However, if one side of the transaction originates on the Exchange floor and any other side of the trade was the result of an electronically submitted order or a quote, then these fees will apply to the transactions which originated on the Exchange floor and contracts that are executed electronically on all sides of the transaction. The one side of the transaction which originates on the Exchange floor will count toward the volume which qualifies a participant for the Simple Order Rebate for Adding Liquidity for Specialists and Market Makers in SPY.
- A non-Complex electronic auction includes the Quote Exhaust auction and, for purposes of these fees, the opening process. A Complex electronic auction includes, but is not limited to, the Complex Order Live Auction ("COLA").
  - Customer executions that occur as part of a Complex electronic auction will be assessed \$0.00 per contract.
  - Customer executions that occur as part of a non-Complex electronic auction will be assessed \$0.00 per contract.
  - Professional, Firm, Broker-Dealer, Specialist and Market Maker executions that occur as part of a Complex electronic auction will be assessed the Fees for Removing Liquidity in Part B. Professional, Firm, Broker-Dealer, Specialist and Market Maker executions that occur as part of a non-Complex electronic auction will be assessed the Fees for Adding Liquidity in Part B.
- The QCC Transaction fees and rebates, defined in Section II, are applicable to this Section C.

#### PIXL Executions in SPY:

- Initiating Order: \$0.05 per contract. Members that qualify for Section B, Customer Rebate Tiers 2 through 6 or qualify for the Monthly Firm Fee Cap are eligible for a rebate of \$0.12 per contract for all SPY Complex PIXL Orders greater than 499 contracts, provided the member executes an average of 2,500 contracts per day of SPY Complex PIXL Orders in a month.





<b>in BKK</b>			8		8		8		8
<b>Cabinet Options</b>	\$0.00	N/A	\$0.10 <sub>8</sub>	N/A	\$0.10 <sub>8</sub>	N/A	\$0.10 <sub>8</sub>	N/A	\$0.10 <sub>8</sub>

- These fees are per contract.

<sup>1</sup>Firm electronic simple orders in AAPL, BAC, EEM, FB, FXI, IWM, QQQ, TWTR, VXX and XLF will be assessed \$0.45.

<sup>2</sup>Electronic Complex Orders will be assessed \$0.40 per contract.

<sup>3</sup>Any member or member organization under Common Ownership with another member or member organization or an Appointed OFP of an Affiliated Entity that qualifies for Customer Rebate Tiers 4 or 5 in Section B of the Pricing Schedule will be assessed \$0.65 per contract.

<sup>4</sup>Any member or member organization under Common Ownership with another member or member organization or an Appointed MM of an Affiliate Entity that qualifies for Customer Rebate Tiers 4 or 5 in Section B of the Pricing Schedule will be assessed \$0.23 per contract.

<sup>5</sup>For transactions in NDX and NDXP, a surcharge of \$0.25 per contract will be assessed to Non-Customers.

<sup>6</sup>A \$0.03 per contract surcharge will be assessed to electronic Complex Orders that remove liquidity from the Complex Order Book and auctions, excluding PIXL, in Penny Pilot Options (excluding SPY). An 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.

<sup>7</sup>A \$0.12 per contract surcharge will be assessed to Non-Customer electronic Complex Orders that remove liquidity from the Complex Order Book and auctions, excluding PIXL, in Non-Penny Pilot Options (excluding NDX and NDXP). An 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.

<sup>8</sup>Floor transaction fees will apply to any "as of" or "reversal" adjustments for manually processed trades originally submitted electronically or through FBMS.

- The Cabinet Fees above are not in addition to the Options Transaction Charges.
- QCC Transaction Fees for a Specialist, Market Maker, Firm and Broker-Dealer are \$0.20 per contract. Customers and Professionals are not assessed a QCC Transaction Fee. QCC Transaction Fees apply to QCC Orders, as defined in Exchange Rule 1080(o), and

Floor QCC Orders, as defined in 1064(e). A rebate, as specified in the below QCC Rebate Schedule, will be paid for all qualifying executed QCC Orders, as defined in Exchange Rule 1080(o) and Floor QCC Orders, as defined in 1064(e), except where the transaction is either: (i) Customer-to-Customer; (ii) Customer-to-Professional, (iii) Professional-to-Professional or (iv) a dividend, merger, short stock interest or reversal or conversion strategy execution (as defined in Section II).

### **QCC Rebate Schedule**

<b>Tier</b>	<b>Threshold</b>	<b>Rebate per Contract</b>
Tier 1	0 to 99,999 contracts in a month	\$0.00
Tier 2	100,000 to 299,999 contracts in a month	\$0.05
Tier 3	300,000 to 499,999 contracts in a month	\$0.07
Tier 4	500,000 to 699,999 contracts in a month	\$0.08
Tier 5	700,000 to 999,999 contracts in a month	\$0.09
Tier 6	Over 1,000,000 contracts in a month	\$0.11

The maximum QCC Rebate to be paid in a given month will not exceed \$550,000.

• Specialists and Market Makers are subject to a "Monthly Market Maker Cap" of \$500,000 for: (i) electronic Option Transaction Charges, excluding surcharges and excluding options overlying NDX and NDXP; and (ii) QCC Transaction Fees (as defined in Exchange Rule 1080(o) and Floor QCC Orders, as defined in 1064(e)). The trading activity of separate Specialist and Market Maker member organizations will be aggregated in calculating the Monthly Market Maker Cap if there is Common Ownership between the member organizations. All dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategy executions (as defined in this Section II) will be excluded from the Monthly Market Maker Cap. Specialists or Market Makers that (i) are on the contra-side of an electronically-delivered and executed Customer order, excluding responses to a PIXL auction; and (ii) have reached the Monthly Market Maker Cap will be assessed fees as follows:

#### **Fee per contract**

\$0.05 per contract Fee for Adding Liquidity in Penny Pilot Options

\$0.18 per contract Fee for Removing Liquidity in Penny Pilot Options

\$0.18 per contract in Non-Penny Pilot Options

\$0.18 per contract in a non-Complex electronic auction, including the Quote Exhaust auction and, for purposes of this fee, the opening process. A Complex electronic auction includes, but is not limited to, the Complex Order Live Auction ("COLA"). Transactions which execute against an order for which the Exchange broadcast an order exposure alert in an electronic auction will be subject to this fee.

- Firms are subject to a maximum fee of \$75,000 ("Monthly Firm Fee Cap"). Firm Floor Option Transaction Charges and QCC Transaction Fees, as defined in this section above, in the aggregate, for one billing month will not exceed the Monthly Firm Fee Cap per member organization when such members are trading in their own proprietary account. All dividend, merger, and short stock interest strategy executions (as defined in this Section II) will be excluded from the Monthly Firm Fee Cap. NDX and NDXP Options Transactions will be excluded from the Monthly Firm Fee Cap. Reversal and conversion, jelly roll and box spread strategy executions (as defined in this Section II) will be included in the Monthly Firm Fee Cap. QCC Transaction Fees are included in the calculation of the Monthly Firm Fee Cap. Member organizations must notify the Exchange in writing of all accounts in which the member is not trading in its own proprietary account. The Exchange will not make adjustments to billing invoices where transactions are commingled in accounts which are not subject to the Monthly Firm Fee Cap.
- The Firm Floor Options Transaction Charges will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members are trading in their own proprietary account (including Cabinet Options Transaction Charges). The Firm Floor Options Transaction Charges will be waived for the buy side of a transaction if the same member or its affiliates under Common Ownership represents both sides of a Firm transaction when such members are trading in their own proprietary account. In addition, the Broker-Dealer Floor Options Transaction Charge (including Cabinet Options Transaction Charges) will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members would otherwise incur this charge for trading in their own proprietary account contra to a Customer ("BD-Customer Facilitation"), if the member's BD-Customer Facilitation average daily volume (including both FLEX and non-FLEX transactions) exceeds 10,000 contracts per day in a given month. NDX and NDXP Options Transactions will be excluded from each of the waivers set forth in the above paragraph.
- Proprietary orders of affiliates of member organizations (non-member organizations) that qualify for the Monthly Firm Fee Cap ("Qualifying Member Organization") effected for purposes of hedging the proprietary over-the-counter trading of the Qualifying Member Organization or its affiliates will be included in calculating the Monthly Firm Fee Cap. Member organizations must notify the Exchange in writing of the account(s) designated for purposes of hedging the proprietary over-the-counter trading of the Qualifying Member Organization or its affiliates. The Exchange would require member organizations to segregate other orders from that of its affiliates for those orders to be eligible for the Monthly Firm Fee Cap. The Exchange will not make adjustments to

billing invoices where transactions are commingled in accounts which are not subject to the Monthly Firm Fee Cap.

*Strategies Defined:*

- A **dividend strategy** is defined as transactions done to achieve a dividend arbitrage involving the purchase, sale and exercise of in-the-money options of the same class, executed the first business day prior to the date on which the underlying stock goes ex-dividend.
- A **merger strategy** is defined as transactions done to achieve a merger arbitrage involving the purchase, sale and exercise of options of the same class and expiration date, executed the first business day prior to the date on which shareholders of record are required to elect their respective form of consideration, i.e., cash or stock.
- A **short stock interest strategy** is defined as transactions done to achieve a short stock interest arbitrage involving the purchase, sale and exercise of in-the-money options of the same class.
- **Reversal and conversion strategies** are transactions that employ calls and puts of the same strike price and the underlying stock. Reversals are established by combining a short stock position with a short put and a long call position that shares the same strike and expiration. Conversions employ long positions in the underlying stock that accompany long puts and short calls sharing the same strike and expiration.
- A **jelly roll strategy** is defined as transactions created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position.
- A **box spread strategy** is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.

*Strategy Caps:*

To qualify for a strategy cap, the buy and sell side of a transaction must originate from the Exchange floor.

<b>Floor Options Transactions - Multiply Listed Options</b>	<b>Strategy</b>	<b>Qualification</b>	<b>Cap</b>
Specialist, Market Maker, Professional,	dividend, merger and short stock interest	executed on the same trading day in the same options class	\$1,500

Firm and Broker- Dealer	strategies	when such members are trading in their own proprietary accounts.	
Specialist, Market Maker, Professional, Firm and Broker- Dealer	reversal and conversion strategies	executed on the same trading day in the same options class	\$700
Specialist, Market Maker, Professional, Firm and Broker- Dealer	jelly rolls	executed on the same trading day in the same options class	\$700
Specialist, Market Maker, Professional, Firm and Broker- Dealer	box spreads	executed on the same trading day in the same options class	\$700
Per member organization	dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategies ("Monthly Strategy Cap")	combined executions in a month when trading in own proprietary accounts	\$65,000

• Reversal and conversion, jelly roll and box spread strategy executions will not be included in the Monthly Strategy Cap for a Firm. Reversal and conversion, jelly roll and box spread strategy executions (as defined in this Section II) are included in the Monthly Firm Fee Cap. All dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategy executions (as defined in this Section II) will be excluded from the Monthly Market Maker Cap. NDX and NDXP Options Transactions will be excluded from Strategy Cap pricing.

### Marketing Fees

Options that are trading in the Penny Pilot Program	\$0.25 per contract
Remaining Equity Options	\$0.70 per contract

- For trades resulting from either Directed or non-Directed Orders that are delivered electronically and executed on the Exchange, the above fees will be assessed on Specialists, Market Makers and Directed ROTs on those trades when the Specialist unit or Directed ROT elects to participate in the Marketing program.
- No Marketing Fees will be assessed on transactions in NDX or NDXP.

- No Marketing Fees will be assessed on trades that are not delivered electronically.
- No Marketing Fees will be assessed on Professional orders.
- No Marketing Fees will be assessed on transactions which execute against an order for which the Exchange broadcast an order exposure alert in Penny Pilot Options.
- Marketing Fees will be assessed on transactions resulting from Customer orders and are available to be disbursed by the Exchange according to the instructions of the Specialist units/Specialists or Directed ROTs to order flow providers who are members or member organizations, who submit, as agent, Customer orders to the Exchange or non-members or non-member organizations who submit, as agent, Customer orders to the Exchange through a member or member organization who is acting as agent for those Customer orders.
- Any excess Marketing Fee funds billed but not utilized by the Specialist or Directed ROT will be carried forward unless the Directed ROT or Specialist elects to have those funds rebated to the applicable ROT, Directed ROT or Specialist on a pro rata basis, reflected as a credit on the monthly invoices. At the end of each calendar quarter, the Exchange will calculate the amount of excess funds from the previous quarter and subsequently rebate excess funds on a pro-rata basis to the applicable ROT, Directed ROT or Specialist who paid into that pool of funds.
- Each month, the Exchange will assess an administrative fee of .45% on the total amount of the funds collected each month.

### **III. Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange)**

U.S. dollar-settled foreign currency options include XDB, XDE, XDN, XDS, XDA, XDZ and XDC.

#### **Singly Listed Options**

	<b>Customer</b>	<b>Professional</b>	<b>Specialist and Market Maker</b>	<b>Firm</b>	<b>Broker-Dealer</b>
<b>Options Transaction Charge</b>	\$0.40	\$0.75	\$0.40	\$0.75	\$0.75

#### **FX Options**

##### **Part A. Simple**

**Order**

	<b>Customer Specialist</b>	<b>Market Maker</b>	<b>Firm</b>	<b>Broker-Dealer</b>	<b>Professional</b>
<b>Rebate for Adding Liquidity</b>	\$0.00	\$0.20	\$0.20	\$0.00	\$0.00
<b>Fee for Removing Liquidity</b>	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40

**Part B. Complex Order**

	<b>Customer Specialist</b>	<b>Market Maker</b>	<b>Firm</b>	<b>Broker-Dealer</b>	<b>Professional</b>
<b>Fee for Adding Liquidity</b>	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
<b>Fee for Removing Liquidity</b>	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40

- These fees are per contract.

- Simple FX Options Orders that are executed against the individual components of Complex FX Options Orders will be assessed the fees and paid the rebates in Part A. However, the individual components of Complex FX Options Orders will be assessed the fees in Part B.

- Transactions in FX Options originating on the Exchange floor will be subject to the Fees for Removing Liquidity defined above. However, if one side of the transaction originates on the Exchange floor and any other side of the trade was the result of an electronically submitted order or a quote, then the Fees for Removing Liquidity will apply to the transactions which originated on the Exchange floor and the contracts that are executed electronically will be subject to the rebates and fees, as applicable, for Simple and Complex Orders

The fees for FX Options executions in all electronic auctions including, but not limited to, the Quote Exhaust auction, the opening process and Complex electronic auction, including the Complex Order Live Auction ("COLA"), will be \$0.40 per contract for Customer, Professional, Firm, Broker-Dealer, Specialist and Market Maker.

PIXL Executions in FX Options:

- Initiating Order: \$0.20 per contract.
- All other participants: \$0.40 per contract.

#### **IV. Other Transaction Fees**

##### **A. PIXL Pricing\***

\*Options overlying NDX and NDXP are not subject to Section IV., A. PIXL Pricing. NDX and NDXP transactions in PIXL will be subject to Section II pricing.

##### **Initiating Order (Section II)**

\$0.07 per contract. If the member or member organization qualifies for the Tier 3, 4 or 5 Customer Rebate in Section B the member or member organization will be assessed \$0.05 per contract. If the member or member organization executes equal to or greater than 3.00% of National Customer Volume in Multiply-Listed equity and ETF Options Classes (excluding SPY Options) in a given month, the member or member organization will be assessed \$0.00 per contract for Complex PIXL Orders. Any member or member organization under Common Ownership with another member or member organization that qualifies for a Customer Rebate Tier 4 or 5 in Section B, or executes equal to or greater than 3.00% of National Customer Volume in Multiply-Listed equity and ETF Options Classes (excluding SPY Options) in a given month will receive one of the PIXL Initiating Order discounts as described above. Members or member organizations that qualify for Customer Rebate Tiers 2 through 6 or qualify for the Monthly Firm Fee Cap are eligible for a rebate of \$0.12 per contract for all Complex PIXL Orders (excluding SPY Options) greater than 499 contracts, provided the member executes an average of 2,500 contracts per day of SPY Complex PIXL Orders in a month.

##### **PIXL Order Executions in Section II Multiply Listed Options (including ETFs, ETNs and indexes which are Multiply Listed):**

- When the PIXL Order is contra to the Initiating Order a Customer PIXL Order will be assessed \$0.00 per contract and Non-Customer PIXL Orders will be assessed \$0.30 per contract.
- When a PIXL Order is contra to a PIXL Auction Responder, a Customer PIXL Order will be assessed \$0.00 per contract, other Non-Customer PIXL Orders will be assessed \$0.30 per contract in Penny Pilot Options or \$0.38 per contract in Non-Penny Pilot Options. A Responder that is a Specialist or a Market Maker will be assessed \$0.25 per contract in Penny Pilot Options or \$0.40 per contract in Non-Penny Pilot Options. Other Non-Customer Responders will be assessed \$0.48 per



contract in Penny Pilot Options or \$0.70 per contract in Non-Penny Pilot Options when contra to a PIXL Order. A Responder that is a Customer will be assessed \$0.00 per contract in Penny Pilot Options and Non-Penny Pilot Options.

- When a PIXL Order is contra to a resting order or quote a Customer PIXL Order will be assessed \$0.00 per contract, other Non-Customer will be assessed \$0.30 per contract and the resting order or quote will be assessed the appropriate Options Transaction Charge in Section II.

All other fees discussed in Section II, including Marketing Fees and surcharges, will also apply as appropriate.

**Executions in Singly Listed Options in Section III (Includes options overlying currencies, equities, ETFs, ETNs and indexes not listed on another exchange):**

- The fees described in Section III will apply in all instances.

**B. FLEX Transaction Fees**

- FLEX Multiply Listed Options:

Customer	\$0.00
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Non-Customer	\$0.25
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- The Monthly Firm Fee Cap, Monthly Market Maker Cap, Strategy Caps and the Options Surcharge in BKK, NDX and NDXP described in Section II will apply to this Section IV, B. No other fees described in Section II will apply to this Section IV.B.
- The FLEX transaction fees for a Firm will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members are trading in their own proprietary account. In addition, FLEX transaction fees for a Broker-Dealer will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members would otherwise incur this charge for trading in their own proprietary account contra to a Customer ("BD-Customer Facilitation"), if the member's BD-Customer Facilitation average daily volume (including both FLEX and non-FLEX transactions) exceeds 10,000 contracts per day in a given month.
- FLEX Singly Listed Options: Section III pricing will apply.
- FLEX NDX and NDXP Options: Section II pricing will apply.

**C. Cancellation Fee**

\$1.10 per order for each cancelled electronically delivered All-or-None (AON) order submitted by a Professional in excess of the number of AON orders submitted by a

Professional executed on the Exchange by a member organization in a given month. All AON orders submitted by a Professional from the same member organization that are executed in the same series on the same side of the market at the same price within a 300 second period will be aggregated and counted as one executed AON option order submitted by a Professional.

- A Cancellation Fee is not assessed in a month in which fewer than 500 electronically delivered AON orders submitted by a Professional are cancelled. A Cancellation Fee will not apply to pre-market cancellations or Complex Orders that are submitted electronically.
- A Cancellation Fee is assessed on AON orders submitted by a Professional.

**D. Options Regulatory Fee**  
**\$0.0045 per contract side**

*The Options Regulatory Fee ("ORF") is assessed by Phlx to each Phlx member for options transactions cleared by The Options Clearing Corporation ("OCC") in the Customer range where: (1) the execution occurs on Phlx or (2) the execution occurs on another exchange and is cleared by a Phlx member. The ORF is collected by OCC on behalf of Phlx from (1) Phlx clearing members for all Customer transactions they clear or (2) non-members for all Customer transactions they clear that were executed on Phlx. Phlx uses reports from OCC when assessing and collecting ORF. The Exchange will notify members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.*

**E. Market Access and Routing Subsidy ("MARS")**  
**MARS System Eligibility**

To qualify for MARS, a Phlx member's routing system ("hereinafter System") would be required to: (1) enable the electronic routing of orders to all of the U.S. options exchanges, including Phlx; (2) provide current consolidated market data from the U.S. options exchanges; and (3) be capable of interfacing with Phlx's API to access current Phlx match engine functionality. Further, the member's System would also need to cause Phlx to be the one of the top five default destination exchanges for individually executed marketable orders if Phlx is at the national best bid or offer ("NBBO"), regardless of size or time, but allow any user to manually override Phlx as a default destination on an order-by-order basis. Notwithstanding the above, with respect to Complex Orders a Phlx member's routing system would not be required to enable the electronic routing of orders to all of the U.S. options exchanges or provide current consolidated market data from the U.S. options exchanges. Any Phlx member would be permitted to avail itself of this arrangement, provided that its order routing functionality

incorporates the features described above and satisfies Phlx that it appears to be robust and reliable. The member remains solely responsible for implementing and operating its system.

### **MARS Eligible Contracts**

MARS Payment would be made to Phlx members that have System Eligibility and have routed the requisite number of Eligible Contracts daily in a month, which were executed on Phlx. For the purpose of qualifying for the MARS Payment, Eligible Contracts include the following: Firm, Broker-Dealer, Joint Back Office or "JBO" or Professional equity option orders that are electronically delivered and executed. Eligible Contracts do not include floor-based orders, qualified contingent cross or "QCC" orders, price improvement or "PIXL" orders, Mini Option orders or Singly Listed Orders. Options overlying NDX and NDXP are not considered Eligible Contracts.

### **MARS Payment**

Phlx members that have System Eligibility and have executed the requisite number of Eligible Contracts in a month will be paid the following per contract rebates:

<b>Tiers</b>	<b>Average Daily Volume ("ADV")</b>	<b>MARS Payment</b>	
		<b>Non-SPY</b>	<b>SPY</b>
1	1,000	\$0.01	\$0.01
2	30,000	\$0.10	\$0.10
3	40,000	\$0.12	\$0.12
4	52,500	\$0.14	\$0.12
5	65,000	\$0.18	\$0.12
6	75,000	\$0.20	\$0.12

The specified MARS Payment will be paid on all executed Eligible Contracts which are routed to Phlx through a participating Phlx member's System and meet the requisite Eligible Contracts ADV. No payment will be made with respect to orders that are routed to Phlx, but not executed.

A Phlx member will not be entitled to receive any other revenue for the use of its System specifically with respect to orders routed to Phlx with the exception of the Marketing Fee.

## V. Routing Fees

**Non-Customer** • \$0.99 per contract to any options exchange.

**Customer**

- Routing Fees to NOM: \$0.13 per contract fee ("Fixed Fee") in addition to the actual transaction fee assessed.
- Routing Fees to BX Options: \$0.13.
- Routing Fees to all other options exchanges: \$0.23 per contract fee ("Fixed Fee") in addition to the actual transaction fee assessed. If the away market pays a rebate, the Routing Fee will be \$0.13.
- A member organization that: (1) qualifies for a Tier 2, 3, 4 or 5 rebate in the Customer Rebate Program in Section B of the Pricing Schedule; and (2) routes away more than 5,000 Customer contracts per day in a given month to an away market is entitled to receive a credit equal to the applicable Fixed Fee plus \$0.01 per contract, unless the away market transaction fee is \$0.00 or the away market pays a rebate, in which case the member organization is entitled to receive a credit equal to the applicable Fixed Fee. Members and member organizations under Common Ownership may aggregate their Customer volume routed away for purposes of calculating discount thresholds and receiving discounted routing fees.

## VI. MEMBERSHIP FEES

### A. Permit and Registration Fees

Permit Fees for Phlx Members (per month)

Phlx Permit Fees

Floor Broker Permit Fee	\$4,000
Floor Specialist and Floor Market Maker	\$6,000

Permit Fees for all other member and member organizations, including Remote Specialists and Remote Market Makers: \$4,000 in a given month, unless the member or member organization or member organizations under Common Ownership, executes at least 100 options in a Phlx house account that is assigned to one of the member organizations in a given month, in which case the Permit Fee will be \$2,300 for that

month.

#### PSX Only Permit Fees:

Members and member organizations: \$4,000 in a given month, unless the member or member organization averages at least 1,000 shares executed per day in a given month, or the extent of the member's or member organization's business on PSX is limited to clearing-only, in which case the Permit Fee will be \$0.00. The business of a member or member organization is considering "clearing-only" if it does not execute any trades on PSX throughout a given month, it maintains no active connections to do so (either under its own MPID or through a sponsored access relationship on behalf of another member or member organization), and it maintains PSX membership for the sole purpose of clearing trades on behalf of another member or member organization that is actively trading on PSX.

A member or member organization will pay an additional Permit Fee for each sponsored options participant, which fee will be the Permit Fee that is assessed to the member or member organization sponsoring the options participant.

#### Application Fee\*

\$350

#### Application Fee for Lapsed Applications\*

\$350

An applicant will be assessed the Application Fee each time an applicant applies for membership, notwithstanding the fact that the applicant may have been a former permit holder.

#### Transfer of Affiliation Fee

\$350

The Exchange will not assess the Initiation Fee on a permit holder who applies to transfer affiliation from one member organization to another member organization if the permit holder continuously held his or her permit without any lapse in membership.

#### Account Fee\*

\$50.00 monthly

#### Initiation Fee\*

\$1,500

#### Inactive Nominee Fee

\$600 for 6 months

The member organization will be assessed \$100 per month for the applicable six month period unless the member organization provides proper notice of its intent to terminate an inactive nominee prior to the first day of the next billing month.

An inactive nominee's status expires after six months unless it has been reaffirmed in writing by the member organization or is sooner terminated. A member organization will be assessed the Inactive Nominee Fee every time the status is reaffirmed. An inactive nominee is also assessed Application and Initiation Fees when such person applies to be an inactive nominee. Such fees are reassessed if there is a lapse in their inactive nominee status. However, an inactive nominee would not be assessed Application and Initiation Fees if such inactive nominee applied for membership without any lapse in that individual's association with a particular member organization. An Inactive Nominee is also assessed the Clerk Fee.

*\* Applicants that apply for membership solely to participate in the Nasdaq PSX equities market are not assessed an Application Fee, Initiation Fee, or Account Fee. Should such approved member or member organization subsequently elect to engage in business on Phlx XL II, the Exchange's options platform, the Initiation Fee and Account Fee will apply.*

- **Permit Fees:** The Exchange has established the date of notification of termination of a permit as the date that permit fee billing will cease. The Exchange will not bill a member organization for more than one monthly permit fee if the member organization transfers an existing permit to another valid permit holder that is primarily affiliated with the member organization, as set forth in Rules 908(f) and 910, provided that the transfer from one permit holder to another occurs within the same business day. Additionally, a permit holder will be billed only one monthly permit fee if the holder transfers from one member organization to another previously unrelated member organization as a result of a merger, partial sale or other business combination during a monthly permit fee period in order to avoid double billing in the month the merger or business combination occurred.
- The Initiation Fee is imposed on a new member upon the issuance of a permit, notwithstanding the fact that the new member may have been a former permit holder.

**Clerk Fee** \$100 per month

- This Clerk Fee is imposed on any registered on-floor person employed by or associated with a member or member organization pursuant to Rule 1090, including Inactive Nominees pursuant to Rule 925. This fee is not imposed on permit holders.

## **B. Streaming Quote Trader ("SQT") Fees**

<b>Number of Option Class Assignments</b>	<b>SQT Fees</b>
Tier 1: Up to 200 classes	\$0.00 per calendar month
Tier 2: Up to 400 classes	\$2,200 per calendar month

Tier 3: Up to 600 classes	\$3200.00 per calendar month
Tier 4: Up to 800 classes	\$4200.00 per calendar month
Tier 5: Up to 1000 classes	\$5200.00 per calendar month
Tier 6: Up to 1200 classes	\$6200.00 per calendar month
Tier 7: All equity issues	\$7,200 per calendar month

In calculating the number of option class assignments, equity options including ETFs and ETNs will be counted. Currencies and indexes will not be counted in the number of option class assignments.

### **C. Remote Market Maker Organization (RMO) Fee**

<b>Number of Option Class Assignments</b>	<b>RMO Fee</b>
Tier 1: less than 100 classes	\$5,000 per month
Tier 2: More than 100 classes and less than 999 classes	\$8,000 per month
Tier 3: 1000 or more classes	\$11,000 per month

In calculating the number of option class assignments, equity options including ETFs and ETNs will be counted. Currencies and indexes will not be counted in the number of option class assignments.

**D. Remote Specialist Fee** \$200 per option allocation per month

The Remote Specialist Fee will be capped at \$4,500 per month.

## **VII. OTHER MEMBER FEES**

### **A. OPTION TRADING FLOOR FEES**

<b>Floor Facility Fees</b> (applicable to Clerks (excluding Inactive Nominees pursuant to Rule 925), Floor Brokers, ROTs (including SQTs) and individual Specialists)	\$330 per month
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<b>Computer Equipment Services, Repairs or Replacements</b>	\$100 per service call and \$75 per person per hour (Two hour min)
<b>Computer Relocation Requests</b>	\$100 per service call and \$75 per person per hour (Two hour min)
<b>Controller Space</b>	\$0 per month
<b>Document Removal Fee</b>	\$250 per box
<b>½ Cabinet</b>	\$250 per month
<b>Full Cabinet</b>	\$800 per month
<b>Cabinet-to-Cabinet Connectivity</b>	\$50 per month
<b>Cabinet-to-MPOE Connectivity</b>	\$50 per month
<b>Remote Hands Hourly</b> (Billable in quarter hour increments)	\$150 per hour

### **B. Port Fees**

A port is a logical connection or session that enables a market participant to send inbound messages and/or receive outbound messages from the Exchange using various communication protocols. Port Fees are assessed in full month increments and are not prorated.

(i) The following order and quote protocols are available on Phlx:

**(1) FIX Port Fee** \$650 per month per mnemonic

The FIX Port Fee will be waived for mnemonics that are used exclusively for complex orders where one of the components of the complex order is the underlying security.

Member organizations will not be assessed a FIX Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

**(2) SQF Port Fee** for ports that receive inbound quotes at any time within that month \$1,250 per port per month up to a maximum of \$42,000 per month



Member organizations will not be assessed an active SQF Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. An active port shall mean that the port was utilized to submit a quote to the System during a given month. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

**(3) SQF Purge Port Fee** \$500 per port per month for each of the first 5 SQF Purge Ports, and \$100 per port per month for each port thereafter.

(ii) The following order and execution information is available to members:

**(1) CTI Port Fee** \$650 per port per month for each of the first 5 CTI ports, and \$100 per port per month for each port thereafter.

**(2) TradeInfo Interface** \$95 per user per month

(iii) The following data port fees apply in connection with data subscriptions pursuant to Phlx's Pricing Schedule at Section IX. These ports are available to non-Phlx members and Phlx members.

**(1) TOPO Port Fee** \$0 per port, per month

**(2) PHLX Orders Port Fee** \$0 per port, per month

**(3) PHLX Depth of Market Port Fee** \$0 per port, per month

(iv) Other Ports:

**Disaster Recovery Port Fee for ports in subsections (i) - (iii)** \$0 per port, per month

## C. FINRA Fees

### Continuing Education Fees

- The Continuing Education Fee will be assessed as to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange Rule 640. **This fee is paid directly to FINRA.**

\$100.00 (\$55.00 if the Continuing Education is Web-based) for each individual who is

required to complete the S101 or S201.

**FINRA, on behalf of the Exchange, will bill and collect these fees**

The following fees will be collected and retained by FINRA via the Web CRD registration system for the registration of associated persons of Exchange members that are not also FINRA members:

- (1) \$100 for each initial Form U4 filed for the registration of a representative or principal;
- (2) \$110 for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings;
- (3) \$45 annually for each of the member's registered representatives and principals for system processing;
- (4) \$15 for processing and posting to the CRD system each set of fingerprints submitted electronically by the member, plus a pass-through of any other charge imposed by the United States Department of Justice for processing each set of fingerprints;
- (5) \$30 for processing and posting to the CRD system each set of fingerprint cards submitted in non-electronic format by the member to FINRA, plus any other charge that may be imposed by the United States Department of Justice for processing each set of fingerprints;
- (6) \$30 for processing and posting to the CRD system each set of fingerprint results and identifying information that has been processed through a self-regulatory organization other than FINRA; and
- (7) \$110 for the additional processing of each initial or amended Form BD that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings.

**D. Appeal Fees**

<b>Review/Process Subordinated Loans</b>	\$25
<b>Forum Fee Pursuant to Rule 60</b>	\$100
<b>Review Fee Pursuant to Rule 124</b>	\$250

**Obvious Error and Catastrophic Error Fee Pursuant to Rule 1092(l)**

\$500

**E. Testing Facilities**

The Exchange operates a test environment in Carteret, New Jersey. References to the "Testing Facility" refers to this test environment.

Subscribers to the Testing Facility shall pay a fee of \$1,000 per hand-off, per month for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$1,000 per hand-off.

The connectivity provided under this rule also provides connectivity to the other test environments of The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC. Additionally, the connectivity may be utilized for either equities or options testing.

**F. Research Fee.**

The Exchange will assess a \$1,000 Research Fee for each transaction correction submitted by a member related to marking strategy transactions

**VIII. NASDAQ PSX FEES****Port Fees<sup>†</sup>**

The following charges are assessed by the Exchange for ports to establish connectivity to the Nasdaq PSX market, as well as ports to receive data from the Nasdaq PSX market:

OUCH	\$400/port/month
FIX Trading Port (FIX and FIX Lite (FLITE))	\$400/port/month
RASH	\$400/port/month
Multicast TotalView-ITCH (software-based)	\$1,000/port/month
TCP ITCH data feed	\$400/port/month
DROP	\$400/port/month
Trading Ports used in Test Mode	\$100/port/month

Data Retransmission Port	No charge
Disaster recovery port (OUCH, FIX Trading Port, RASH, and DROP)	\$25/port/month
Disaster recovery port (all other ports)	No charge

The maximum monthly fee assessed to a PSX Participant for the above listed Port Fees will be \$30,000 per month.

New PSX Participants will not be assessed the above listed Port Fees through December 31, 2018. A New PSX Participant will be defined as a PSX Participant that was not a PSX Participant before September 1, 2017.

**† Fees are assessed in full month increments under this section, and thus are not prorated.**

### **Order Execution and Routing**

(a) The following charges and credits shall apply to the use of the order execution and routing services of the Nasdaq PSX System by member organizations for all securities that it trades priced at \$1 or more per share:

(1) Fees for Execution of Quotes/Orders in Nasdaq-Listed Securities, Securities Listed on the New York Stock Exchange ("NYSE") and Securities Listed on Exchanges other than Nasdaq and NYSE. As used in this rule, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

Charge to member organization entering order that executes in Nasdaq PSX:	\$0.0029 per share executed in Nasdaq-Listed Securities entered by a member organization that accesses 0.065% or more of Consolidated Volume during the month
	\$0.0028 per share executed in NYSE-Listed Securities entered by a member organization that accesses 0.065% or more of Consolidated Volume during the month
	\$0.0028 per share executed in Securities Listed on Exchanges other than Nasdaq and

NYSE entered by a member organization that accesses 0.065% or more of Consolidated Volume during the month

\$0.0030 per share executed for all other member organizations

Credit to member organization providing liquidity through the Nasdaq PSX System:

Displayed Quote/Order:

\$0.0030 per share executed for Quotes/Orders entered by a member organization that provides and accesses 0.20% or more of Consolidated Volume during the month

\$0.0027 per share executed for Quotes/Orders entered by a member organization that provides and accesses 0.15% or more of Consolidated Volume during the month

\$0.0027 per share executed for Quotes/Orders entered in Securities Listed on Exchanges other than Nasdaq or NYSE by a member organization that (1) provides a minimum of 1 million shares a day on average in Securities Listed on Exchanges other than Nasdaq or NYSE and (2) doubles the daily average share volume provided in Securities Listed on Exchanges other than Nasdaq or NYSE during the month versus the member organization's daily average share volume provided in Securities Listed on Exchanges other than Nasdaq or NYSE in February 2017. If a member had no activity in February 2017 in Securities Listed on Exchanges other than Nasdaq or NYSE or became a member after February 2017, its February 2017 daily average share volume in Securities Listed on Exchanges other than Nasdaq or NYSE would be zero for purposes of determining that member's eligibility for the credit in subsequent months.

\$0.0025 per share executed for Quotes/Orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month

\$0.0023 per share executed for all other Quotes/Orders

Non-Displayed Order Charges and Credits:

\$0.0023 per share executed credit for all orders with midpoint pegging that provide liquidity

\$0.0000 per share executed credit for other non-displayed orders that provide liquidity

(2) Fees for Routing of Orders in All Securities

Charge to member organization entering PSTG or PSCN order that executes in a venue other than the Nasdaq PSX System:	\$0.0030 per share executed at NYSE
	\$0.0000 per share executed at Nasdaq BX
	\$0.0030 per share executed in other venues

Charge to member organization entering PMOP order that executes in a venue other than the Nasdaq PSX System:	\$0.0035 per share executed at NYSE
	\$0.0035 per share executed at venues other than NYSE

Charge to member organization entering PTFY order that executes in a venue other than the Nasdaq PSX System:	\$0.0030 per share executed at NYSE
	\$0.0007 per share executed at venues other than NYSE, Nasdaq or Nasdaq BX
	\$0.0030 per share executed at Nasdaq
	\$0.0000 per share executed at Nasdaq BX

Charge to member organization entering PCRT order that executes in a venue other than the Nasdaq PSX System:	\$0.0030 per share executed at Nasdaq
	\$0.0000 per share executed at Nasdaq BX

Charge to member organization entering XDRK order that executes in a venue other	\$0.0007 per share executed
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than the Nasdaq PSX System:

Charge to member organization entering XCST order that executes in a venue other than the Nasdaq PSX System:	\$0.0000 per share executed at Nasdaq BX \$0.0007 per share for shares executed at a venue other than Nasdaq BX
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(b) The following charges and credits shall apply to the use of the order execution and routing services of the Nasdaq PSX System by member organizations for all securities that it trades priced at less than \$1 per share:

Charge to member organization entering order that executes in Nasdaq PSX:	0.20% of the total transaction cost
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Credit to member organization providing liquidity through the Nasdaq PSX System:	\$0
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Charge to member organization entering order that executes in a venue other than the Nasdaq PSX System:	0.3% of the total transaction cost
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### **Testing Facilities**

The Exchange operates a test environment located in Carteret, New Jersey.

(a) Subscribers that conduct tests of their PSX access protocols connection or market data vendor feeds through the Exchange's Testing Facility (Testing Facility) shall pay \$300 per port, per month.

(b) Subscribers to the Testing Facility shall pay a fee of \$1,000 per hand-off, per month for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$1,000 per hand-off.

The connectivity provided under this rule also provides connectivity to the other test environments of The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC.

### **TradeInfo PSX**

- TradeInfo PSX is available to PSX Participants for a fee of \$95 per user per month.

### **Weblink ACT PSX**

- Weblink ACT PSX is available to PSX Participants free of charge.

**PSX Managed Data Solutions Fees.**

(a) Distributors and Subscribers of Managed Data Solutions products containing PSX TotalView data (non-display use only) shall pay the following fees:

<b>Fee schedule for Managed Data Solutions</b>	<b>Price</b>
Managed Data Solutions Administration Fee (for the right to offer Managed Data Solutions to client organizations)	\$1,500/mo Per Distributor
PSX Depth Data Professional Managed Data Solutions Subscriber Fee ( <b>Internal Use Only</b> and includes PSX TotalView)	\$150/mo Per Subscriber
PSX Depth Data Managed Data Solutions Non-Professional Subscriber Fee ( <b>Internal Use Only</b> and includes PSX TotalView)	\$20/mo Per Subscriber

Fees are per month for all or any portion of the month in which the MDS products are accessed

(b) For purposes of PSX Managed Data Solutions fees, the terms "Non-Professional", "Distributor", "Subscriber", and "PSX TotalView" shall have the same meaning as set forth in this Section VIII of the PSX Pricing Schedule.

**Market Data Distributor Fees**

(a) The charge to be paid by Distributors of the following real time data feeds of the Exchange shall be:

	<b>Monthly Direct Access Fee</b>	<b>Monthly Internal Distributor Fee</b>	<b>Monthly External Distributor Fee</b>
PSX TotalView	\$ 1,000	\$ 500	\$ 1,250

(b) A "distributor" of Exchange data is any entity that receives a feed or data file of Exchange data directly from the Exchange or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All distributors shall execute an Exchange distributor agreement. The Exchange itself is a



vendor of its data feed(s) and has executed an Exchange distributor agreement and pays the distributor charge.

(c) "Direct Access" means a telecommunications interface with the Exchange for receiving Exchange data, or receiving an Exchange data feed within the Exchange co-location facility, or receiving Exchange data via an extranet access provider.

### **Access and Redistribution Fee**

(a) Definitions: For purposes of this Section VIII:

- (1) The term "Equipment Configuration" shall mean any line, circuit, router package, or other technical configuration used to provide a connection to the Exchange market data feeds.
- (2) The term "Extranet Provider" shall mean any entity that has signed the Nasdaq Extranet Connection Agreement and that establishes a telecommunications connection in the Exchange's co-location facility.
- (3) The term "Distributor" shall have the meaning set forth in Section IX of the Exchange Pricing Schedule.

(b) Extranet Providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds shall be assessed a monthly access and redistribution fee of \$1,000 per Equipment Configuration. If an Extranet Provider uses multiple Equipment Configurations to provide market data feeds to recipients, the access and redistribution fee shall apply to each such Equipment Configuration. Extranet Providers that use the same Equipment Configuration for the receipt of equities and options Exchange market data feeds will be assessed a single fee for that Equipment Configuration.

(c) Distributors (other than Extranet Providers) that utilize a Direct Circuit Connection to the Exchange pursuant to General 8, Section 2 to receive Exchange market data feeds shall be assessed a monthly access and redistribution fee of \$1,000 per Direct Circuit Connection. If a Distributor (other than an Extranet Provider) uses multiple Direct Circuit Connections to receive market data feeds, the monthly fee shall apply to each. Distributors that use the same Direct Circuit Connection for the receipt of equities and options Exchange market data feeds will be assessed a single fee for that Direct Circuit Connection.

(d) The access and redistribution fees set forth above will not be charged for connectivity to market data feeds containing only consolidated data. For purposes of this rule, consolidated data includes data disseminated by the Securities Information Processor for the Consolidated Tape Association Plan.

### **Administrative Reports**

Administrative Reports \$25 per user, per month

### **Monthly Administrative Fee**

The Monthly Administrative Fee shall be assessed to market data distributors that receive any proprietary Exchange data feed product. Each such distributor shall, on a monthly basis, be assessed the higher of the applicable Monthly Administrative Fees:

Delayed distributor	\$50
Real-Time distributor (includes delayed fee, if applicable)	\$100

The Exchange may waive the foregoing fee for colleges and universities for devices used by students and professors in performing university or college research or classroom-related activities.

### **PSX TotalView**

#### (a) PSX TotalView Entitlement

The PSX TotalView entitlement allows a subscriber to see all individual Nasdaq PSX participant orders displayed in Nasdaq PSX, the aggregate size of such orders at each price level, and the trade data for executions that occur within Nasdaq PSX.

(1) Except as provided elsewhere in this rule, for the PSX TotalView entitlement there will be a \$40 monthly charge for each Subscriber for display usage or for nondisplay usage not based upon Direct Access.

(2) Distributors shall pay a monthly fee of \$50 for each Professional Subscriber for nondisplay usage of PSX TotalView based upon Direct Access.

(3) As an alternative to (a)(2), a market participant may purchase an enterprise license at a rate of \$17,000 per month for internal use of non-display data, based upon Direct Access. The enterprise license entitles a distributor to provide PSX TotalView to an unlimited number of non-display devices within its firm.

#### (b) Non-Professional Services

(1) The charge to be paid by non-professional Subscribers for access to PSX TotalView Service through an authorized vendor shall be \$1.00 per Subscriber per month.

(2) A "non-professional" is a natural person who is neither:

- (A) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association;
- (B) engaged as an "investment adviser" as that term is defined in Section 202(a)(11) of the Investment Advisors Act of 1940 (whether or not registered or qualified under that Act); nor
- (C) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt.

(c) Free-Trial Offers

(1) For the period ending on the last day of the twelfth full calendar month following the launch of Nasdaq PSX, the Exchange will waive Subscriber fees, enterprise license fees, Direct Access fees, and Distributor fees (but not the Annual Administrative fee) for PSX TotalView.

(2) After the period of one year from the launch of Nasdaq PSX, the Exchange will allow distributors to provide PSX TotalView to new Subscribers receiving PSX TotalView for the first time free of charge for an individual one-month trial period. This fee waiver will be applied to the first full month of charges following the date on which a new individual Subscriber or potential individual Subscriber is first entitled by a distributor to receive access to PSX TotalView. A distributor may only provide this waiver to a specific individual Subscriber once. For the period of any waiver, the PSX TotalView fees of \$40 or \$50 per Subscriber per month, as applicable, (professional) or \$1 per Subscriber per month (non-professional) will be waived.

In addition, a market participant opting to receive an enterprise license at a rate of \$17,000 per month will have that fee waived for the first full month of charges following the date on which the market participant first receives access to PSX TotalView.

(d) A "Subscriber" is any access that a distributor of the data entitlement package(s) provides to: (1) access the information in the data entitlement package(s); or (2) communicate with the distributor so as to cause the distributor to access the information in the data entitlement package(s). If a Subscriber is part of an electronic network between computers used for investment, trading or order routing activities, the burden shall be on the distributor to demonstrate that the particular Subscriber should not have to pay for an entitlement. For example, in some display systems the distributor gives the Subscriber a choice to see the data or not; a Subscriber that chooses not to see the data would not be charged. Similarly, in a non-display system, Subscribers may have a choice of basic or advanced computerized trading or order routing services, where only the advanced version uses the information. Subscribers of the basic service then would be excluded from the entitlement requirement.

### **Aggregation of Activity of Affiliated Member Organizations**

(a) For purposes of applying any PSX charge or credit where the charge assessed, or credit provided, by the Exchange depends upon the volume of a member organization's activity, a member organization may request that the Exchange aggregate its activity with the activity of its affiliates.

(1) A member organization requesting aggregation of affiliate activity shall be required to certify to the Exchange the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform the Exchange immediately of any event that causes an entity to cease to be an affiliate. The Exchange shall review available information regarding the entities, and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.

(2) If two or more member organizations become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more members become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.

(b) For purposes of applying any PSX charge or credit where the charge assessed, or credit provided, by the Exchange depends upon the volume of a member organization's activity, references to an entity (including references to a "member organization" or a "participant") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(c) For purposes of this provision, the term "affiliate" of a member organization shall mean any member organization under 75% common ownership or control of that member organization.

### **Installation, Removal or Relocation**

Upon installation, removal, relocation of terminal and related equipment, or combination thereof, the subscriber shall pay charges incurred by the Exchange, on behalf of the subscriber for the work being performed by the maintenance organization retained by the Exchange.

### **Other Requests for Data**

The Exchange may impose and collect compensatory charges for data the Exchange supplied upon request, where there is no provision elsewhere in the Pricing Schedule for charges for such service or sale.

### **Partial Month Charges**

Distributors may elect to have the charges for the month of commencement or termination of service be billed on a full month basis or prorated based on the number of trade days in that month.

### **PSX Last Sale and Nasdaq Last Sale Plus Data Feeds**

(a) PSX Last Sale. The Exchange shall offer proprietary data feeds containing real-time last sale information for trades executed on the Exchange. There shall be no fee for PSX Last Sale Data Feeds.

- (1) "PSX Last Sale for Nasdaq" shall contain all transaction reports for Nasdaq-listed securities; and
- (2) "PSX Last Sale for NYSE/NYSEAmex" shall contain all such transaction reports for securities listed on NYSE, NYSE Amex, and other exchanges.

(b) Nasdaq Last Sale Plus ("NLS Plus"). NLS Plus is a comprehensive data feed produced by Nasdaq Information LLC. It provides last sale data as well as consolidated volume of Nasdaq U.S. equity markets (PSX, The Nasdaq Stock Market ("Nasdaq"), and Nasdaq BX ("BX")) and the FINRA/Nasdaq Trade Reporting Facility ("TRF"). NLS Plus also reflects cumulative volume real-time trading activity across all U.S. exchanges for Tape C securities.

NLS Plus also contains: Trade Price, Trade Size, Sale Condition Modifiers, Cumulative Consolidated Market Volume, End of Day Trade Summary, Adjusted Closing Price, IPO Information, and Bloomberg ID. Additionally, pertinent regulatory information such as Market Wide Circuit Breaker, Reg SHO Short Sale Price Test Restricted Indicator, Trading Action, and Symbol Directory are included. NLS Plus may be received by itself or in combination with Nasdaq Basic. Additionally, NLS Plus reflects cumulative volume real-time trading activity across all U.S. exchanges for Tape A securities and Tape B securities.

- (1) Firms that receive NLS Plus shall pay the monthly administrative fees for NLS, BX Last Sale, and PSX Last Sale. Additionally, Internal Distributors or External Distributors shall pay a data consolidation fee of \$350 per month. "Internal Distributors" are Distributors that receive NLS Plus data and then distribute that data to one or more Subscribers within the Distributor's own entity. "External Distributors" are Distributors that receive NLS Plus data and then distribute that data to one or more Subscribers outside the Distributor's own entity.

- (2) Firms that receive NLS Plus would either be liable for NLS fees or Nasdaq Basic fees.
- (3) In the event that Nasdaq BX and/or Nasdaq PHLX adopt user fees for BX Last Sale and/or PSX Last Sale, firms that receive NLS Plus would also be liable for such fees.
- (4) Firms that purchase a market data enterprise license for display usage under Nasdaq Rule 7032 shall not pay monthly administrative fees for NLS, BX Last Sale and PSX Last Sale, a data consolidation fee for Internal or External Distributors, or user fees for BX Last Sale and/or PSX Last Sale, in the event that such fees are adopted.

### **PSX BBO Feeds**

The Exchange shall offer proprietary data feeds containing real-time market information from PSX. There shall be no fee for PSX BBO Feeds.

- (a) "PSX BBO for Nasdaq" shall contain PSX's best bid and offer for Nasdaq-listed securities;
- (b) "PSX BBO for NYSE" shall contain PSX's best bid and offer for NYSE-listed securities; and
- (c) "PSX BBO for NYSE Amex" shall contain PSX's best bid and offer for NYSE Amex-listed securities.

### **PSX Ouch BBO Feed**

The Exchange shall offer a proprietary data feed containing real-time information concerning the Exchange's internal view of the national best bid and offer at that time, containing the expected bid price and ask price for each security traded on PSX. There shall be no fee for the PSX Ouch BBO Feed.

### **PSX Trading and Compliance Data Package**

PSX Participants shall be entitled to receive the PSX Trading and Compliance Data Package via NasdaqTrader.com. The PSX Trading and Compliance Data Package provides historical data reports containing trading reporting information about the Participant's own activity in PSX, for delivery on an end-of-day or T+1 basis.

The Exchange may modify the contents of the PSX Trading and Compliance Data Package from time to time based on subscriber interest. There shall be no fee for the PSX Trading and Compliance Data Package.

### **QView**

QView is a web-based tool designed to give a subscribing member the ability to track its order flow on PSX, and create both real-time and historical reports of such order flow. Members may subscribe to QView for a fee of \$100 per month, per member firm.

### **Short Sale Monitor**

(a) The Short Sale Monitor is a real-time surveillance and alert tool that assists member firms with monitoring and post trade analysis of their short sale and short sale exempt trades reported to the FINRA/Nasdaq Trade Reporting Facility (TRF), which includes real-time alerts of covered securities subject to the restrictions of SEC Rule 201, reports of a member firm's trades marked as "short" that are subject to the restrictions of SEC Rule 201, and reports of a member firm's trades marked as "short exempt."

The Short Sale Monitor is available to each member firm at no cost for a trial period ending March 31, 2011, and for a fee of \$750 per MPID, per month thereafter.

(b) The PSX Data Add-On service provides an MPID subscribed to the Short Sale Monitor subscription with a record of trades in covered securities executed on PSX that are marked "short exempt." The PSX Data Add-On service is available at no cost for a trial period ending March 31, 2011, and for a fee of \$50 per MPID, per month. An MPID subscribed to the Short Sale Monitor of Nasdaq or Nasdaq BX need not subscribe additionally to the PSX Short Sale Monitor to subscribe to the PSX Data Add-On service.

### **PSX Pre-Trade Risk Management**

(a) Users of PSX Pre-trade Risk Management ("PRM") will be assessed a monthly fee based on the following table, and such fees will not exceed \$25,000 per member firm, per month:

<b>Port Tiers</b>	<b>Number of PRM-Enabled Ports</b>	<b>Monthly Fee</b>
Tier 1	50 or more	\$400 per port, per month
Tier 2	20 to 49	\$500 per port, per month
Tier 3	5 to 19	\$550 per port, per month
Tier 4	1 to 4	\$600 per port, per month

(b) Users of PRM services specified below will be assessed the following charges in addition to the applicable PRM-enabled port charges:

PRM Modules	No charge
Aggregate Total Checks	No charge
PRM Workstation Add-ons to an existing Workstation or WeblinkACT 2.0	\$100 per each PRM Workstation Add-on per month

**IX. Proprietary Data Feed Fees  
Top of PHLX Options ("TOPO")**

<b>Account Type</b>	<b>Monthly Charge</b>
Internal Distributor	\$2,000
External Distributor	\$2,500
Non-Professional Subscriber	\$1
Professional Subscriber	\$40

- A Non-Professional Subscriber is a natural person who is neither: (i) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment adviser" as that term is defined in Section 201(11) of the Investment Advisors Act of 1940 (whether or not registered or qualified under that Act); nor (iii) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt. A Non-Professional Subscriber may only use the data provided for personal purposes and not for any commercial purpose.
- A Professional Subscriber is any Subscriber that is not a Non-Professional Subscriber. If the Nasdaq Subscriber agreement is signed in the name of a business or commercial entity, such entity would be considered a Professional Subscriber.
- The Monthly Charge per Subscriber (both Professional and Non-Professional) covers the usage of all four PHLX data products and will not be assessed separately for each data product. PHLX data is comprised of Top of Phlx Options ("TOPO"), TOPO Plus Orders, PHLX Orders and PHLX Depth Data feeds. For example, if a firm has one Professional (Non-Professional) Subscriber accessing TOPO, TOPO Plus Orders, PHLX Orders and PHLX Depth of Market the firm would only report the Subscriber once and pay \$40 (\$1 for Non-Professional).



- A "distributor" of Nasdaq PHLX data is any entity that receives a feed or data file of data directly from Nasdaq PHLX or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All distributors shall execute a Nasdaq PHLX distributor agreement.

### **Non-Display Enterprise License**

The \$10,000 per month Non-Display Enterprise License fee permits distribution to an unlimited number of internal non-display Subscribers without incurring additional fees for each internal Subscriber. The Non-Display Enterprise License covers non-display Subscriber fees for all PHLX proprietary direct data feed products and is in addition to any other associated distributor fees for PHLX proprietary direct data feed products.

### **Managed Data Solutions**

The charges to be paid by Distributors and Subscribers of Managed Data Solutions products for Non-Display Usage containing Top of PHLX Options shall be:

#### **Fee schedule for Managed Data Solutions Price for Non-Display Usage**

Managed Data Solution Administration Fee \$1,500/mo Per Distributor  
(for the right to offer Managed Data Solutions for Non-Display Usage to client organizations)

PHLX Managed Data Solution Subscriber Fee \$250/mo per Subscriber

The charges to be paid by Distributors and Subscribers of Managed Data Solutions products containing PHLX Orders shall be:

#### **Fee schedule for Managed Data Solutions Price for Non-Display Usage**

Managed Data Solution Administration Fee \$2,000/mo Per Distributor  
(for the right to offer Managed Data Solutions for Non-Display Usage to client organizations)

PHLX Orders Managed Data Solution for Non-Display Usage Subscriber Fee \$500/mo per Subscriber

**TOPO Plus Orders**

<b>Account Type</b>	<b>Monthly Charge</b>
Internal Distributor	\$4,500
External Distributor	\$5,000
Non-Professional Subscriber	\$1
Professional Subscriber	\$40

**PHLX Orders**

<b>Account Type</b>	<b>Monthly Charge</b>
Internal Distributor	\$3,000
External Distributor	\$3,500
Non-Professional Subscriber	\$1
Professional Subscriber	\$40

**PHLX Depth Data**

<b>Account Type</b>	<b>Monthly Charge</b>
Internal Distributor	\$4,000
External Distributor	\$4,500
Non-Professional Subscriber	\$1
Professional Subscriber	\$40

**PHLX Options Trade Outline ("PHOTO")**

<b>Account Type</b>	<b>Monthly Charge</b>
End of Day Product Subscriber	\$500

Intra-Day Product Subscriber	\$1,500
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### **PHOTO Historical Data**

<b>Account Type</b>	<b>Charge per calendar month Requested</b>
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End of Day Product Subscriber	\$400
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Intra-Day Product Subscriber	\$750
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<sup>9</sup> For example, a subscriber who requests End of Day PHOTO Historical Data for the Month of March, 2009 would be charged \$400. A subscriber who requests End of Day PHOTO Historical Data for the months of March, 2009 and April, 2009 would be charged \$400 for the March, 2009 End of Day data and \$400 for the April, 2009 End of day data, for a total of \$800, etc. A subscriber who requests Intra-Day PHOTO Historical Data for the Month of March, 2009 would be charged \$750.00. A subscriber who requests Intra-Day PHOTO Historical Data for the months of March, 2009 and April, 2009 would be charged \$750 for the March, 2009 Intra-Day data and \$750 for the April, 2009 Intra-Day data, for a total of \$1,500, etc.

End of Day and Intra-Day reports for the period January 1, 2014, through June 30, 2014, will be available free of charge on the NasdaqTrader website ([www.nasdatrader.com](http://www.nasdatrader.com)), or a successor website, to allow access to PHOTO Historical Data for this period.

### **X. Reserved**

### **XI. Reserved**

### **XII. PHLX Trading Application Services Reserved.**

### **XIII. Access and Redistribution Fee**

(a) Definitions: For purposes of this rule:

- (1) The term "Equipment Configuration" shall mean any line, circuit, router package, or other technical configuration used to provide a connection to the Exchange market data feeds.
- (2) The term "Extranet Provider" shall mean any entity that has signed the Nasdaq Extranet Connection Agreement and that establishes a telecommunications connection in the Exchange's co-location facility.
- (3) The term "Distributor" shall have the meaning set forth in Section IX of the Exchange Pricing Schedule.

(b) Extranet Providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds shall be assessed a monthly access and redistribution fee of \$1,000 per Equipment Configuration. If an Extranet Provider uses multiple Equipment Configurations to provide market data feeds to recipients, the access and redistribution fee shall apply to each such Equipment Configuration.

(c) Distributors (other than Extranet Providers) that utilize a Direct Circuit Connection to Phlx pursuant to General 8, Section 2 to receive Exchange market data feeds shall be assessed a monthly access and redistribution fee of \$1,000 per Direct Circuit Connection. If a Distributor (other than an Extranet Provider) uses multiple Direct Circuit Connections to receive market data feeds, the monthly fee shall apply to each. Distributors that use the same Direct Circuit Connection for the receipt of equities and options Exchange market data feeds will be assessed a single fee for that Direct Circuit Connection.

(d) The access and redistribution fees set forth above will not be charged for connectivity to market data feeds containing only consolidated data. For purposes of this rule, consolidated data is data disseminated by the Securities Information Processor for the Options Price Regulatory Authority.]

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### **Nasdaq PHLX LLC Rules**

\* \* \* \* \*

### **Equity Rules**

\* \* \* \* \*

### **Equity 7 Pricing Schedule**

#### **Section 1 General Provisions**

(a) The exchange calculates fees on a trade date basis.

Policy for amending billing information: corrections submitted after trade date and prior to the issuance of an invoice by the exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. Only members may submit trade corrections.

All billing disputes must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes must be submitted no later than sixty (60) days after receipt of a billing invoice, except for disputes concerning Nasdaq PSX fees and proprietary data feed fees. The Exchange calculates fees on a trade date basis. Only members may submit billing disputes.

(b) For PSX Equities: For purposes of determining average daily volume or volume-based pricing hereunder, any day that the market is not open for the entire trading day will be excluded from such calculation.

## **Section 2. Collection of Exchange Fees and Other Claims**

(a) Each member organization, and all applicants for registration as such shall be required to provide a clearing account number for an account at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to Rule 924. If a member disputes an invoice, the Exchange will not include the disputed amount in the debit if the member has disputed the amount in writing to the Exchange's designated staff by the 15th of the month, or the following business day if the 15th is not a business day, and the amount in dispute is at least \$10,000 or greater.

## **Section 3. Nasdaq PSX Fees**

### **Port Fees<sup>†</sup>**

The following charges are assessed by the Exchange for ports to establish connectivity to the Nasdaq PSX market, as well as ports to receive data from the Nasdaq PSX market:

<u>OUCH</u>	<u>\$400/port/month</u>
<u>FIX Trading Port (FIX and FIX Lite (FLITE))</u>	<u>\$400/port/month</u>
<u>RASH</u>	<u>\$400/port/month</u>
<u>Multicast TotalView-ITCH (software-based)</u>	<u>\$1,000/port/month</u>
<u>TCP ITCH data feed</u>	<u>\$400/port/month</u>
<u>DROP</u>	<u>\$400/port/month</u>
<u>Trading Ports used in Test Mode</u>	<u>\$100/port/month</u>
<u>Data Retransmission Port</u>	<u>No charge</u>
<u>Disaster recovery port (OUCH, FIX Trading Port, RASH, and DROP)</u>	<u>\$25/port/month</u>
<u>Disaster recovery port (all other ports)</u>	<u>No charge</u>

The maximum monthly fee assessed to a PSX Participant for the above listed Port Fees will be \$30,000 per month.

New PSX Participants will not be assessed the above listed Port Fees through December 31, 2018. A New PSX Participant will be defined as a PSX Participant that was not a PSX Participant before September 1, 2017.

**‡ Fees are assessed in full month increments under this section, and thus are not prorated.**

### **Order Execution and Routing**

(a) The following charges and credits shall apply to the use of the order execution and routing services of the Nasdaq PSX System by member organizations for all securities that it trades priced at \$1 or more per share:

(1) Fees for Execution of Quotes/Orders in Nasdaq-Listed Securities, Securities Listed on the New York Stock Exchange ("NYSE") and Securities Listed on Exchanges other than Nasdaq and NYSE. As used in this rule, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

<u>Charge to member organization entering order that executes in Nasdaq PSX:</u>	<u>\$0.0029 per share executed in Nasdaq-Listed Securities entered by a member organization that accesses 0.065% or more of Consolidated Volume during the month</u>
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<u>\$0.0028 per share executed in NYSE-Listed Securities entered by a member organization that accesses 0.065% or more of Consolidated Volume during the month</u>
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<u>\$0.0028 per share executed in Securities Listed on Exchanges other than Nasdaq and NYSE entered by a member organization that accesses 0.065% or more of Consolidated Volume during the month</u>
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<u>\$0.0030 per share executed for all other member organizations</u>
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Credit to member organization providing liquidity through the Nasdaq PSX System:

Displayed Quote/Order:

\$0.0030 per share executed for Quotes/Orders entered by a member organization that provides and accesses 0.20% or more of Consolidated Volume during the month

\$0.0027 per share executed for Quotes/Orders entered by a member organization that provides and accesses 0.15% or more of Consolidated Volume during the month

\$0.0027 per share executed for Quotes/Orders entered in Securities Listed on Exchanges other than Nasdaq or NYSE by a member organization that (1) provides a minimum of 1 million shares a day on average in Securities Listed on Exchanges other than Nasdaq or NYSE and (2) doubles the daily average share volume provided in Securities Listed on Exchanges other than Nasdaq or NYSE during the month versus the member organization's daily average share volume provided in Securities Listed on Exchanges other than Nasdaq or NYSE in February 2017. If a member had no activity in February 2017 in Securities Listed on Exchanges other than Nasdaq or NYSE or became a member after February 2017, its February 2017 daily average share volume in Securities Listed on Exchanges other than Nasdaq or NYSE would be zero for purposes of determining that member's eligibility for the credit in subsequent months.

\$0.0025 per share executed for Quotes/Orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month

\$0.0023 per share executed for all other Quotes/Orders

Non-Displayed Order Charges and Credits:

\$0.0023 per share executed credit for all

orders with midpoint pegging that provide liquidity

\$0.0000 per share executed credit for other non-displayed orders that provide liquidity

(2) Fees for Routing of Orders in All Securities

Charge to member organization entering PSTG or PSCN order that executes in a venue other than the Nasdaq PSX System: \$0.0030 per share executed at NYSE  
\$0.0000 per share executed at Nasdaq BX  
\$0.0030 per share executed in other venues

Charge to member organization entering PMOP order that executes in a venue other than the Nasdaq PSX System: \$0.0035 per share executed at NYSE  
\$0.0035 per share executed at venues other than NYSE

Charge to member organization entering PTFY order that executes in a venue other than the Nasdaq PSX System: \$0.0030 per share executed at NYSE  
\$0.0007 per share executed at venues other than NYSE, Nasdaq or Nasdaq BX  
\$0.0030 per share executed at Nasdaq  
\$0.0000 per share executed at Nasdaq BX

Charge to member organization entering PCRT order that executes in a venue other than the Nasdaq PSX System: \$0.0030 per share executed at Nasdaq  
\$0.0000 per share executed at Nasdaq BX

Charge to member organization entering XDRK order that executes in a venue other than the Nasdaq PSX System: \$0.0007 per share executed

Charge to member organization entering XCST order that executes in a venue other than the Nasdaq PSX System: \$0.0000 per share executed at Nasdaq BX  
\$0.0007 per share for shares executed at a venue other than Nasdaq BX

(b) The following charges and credits shall apply to the use of the order execution and routing services of the Nasdaq PSX System by member organizations for all securities that it trades priced at less than \$1 per share:



Charge to member organization entering order that executes in Nasdaq PSX: 0.20% of the total transaction cost

Credit to member organization providing liquidity through the Nasdaq PSX System: \$0

Charge to member organization entering order that executes in a venue other than the Nasdaq PSX System: 0.3% of the total transaction cost

### **Testing Facilities**

The Exchange operates a test environment located in Carteret, New Jersey.

(a) Subscribers that conduct tests of their PSX access protocols connection or market data vendor feeds through the Exchange's Testing Facility (Testing Facility) shall pay \$300 per port, per month.

(b) Subscribers to the Testing Facility shall pay a fee of \$1,000 per hand-off, per month for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$1,000 per hand-off.

The connectivity provided under this rule also provides connectivity to the other test environments of The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC.

### **TradeInfo PSX**

- TradeInfo PSX is available to PSX Participants for a fee of \$95 per user per month.

### **Weblink ACT PSX**

- Weblink ACT PSX is available to PSX Participants free of charge.

### **PSX Managed Data Solutions Fees.**

(a) Distributors and Subscribers of Managed Data Solutions products containing PSX TotalView data (non-display use only) shall pay the following fees:

#### **Fee schedule for Managed Data Solutions**

#### **Price**

Managed Data Solutions Administration Fee (for the right to offer Managed Data

\$1,500/mo Per Distributor

Solutions to client organizations)

PSX Depth Data Professional Managed Data Solutions Subscriber Fee      \$150/mo Per Subscriber  
(Internal Use Only and includes PSX TotalView)

PSX Depth Data Managed Data Solutions Non-Professional Subscriber Fee      \$20/mo Per Subscriber  
(Internal Use Only and includes PSX TotalView)

Fees are per month for all or any portion of the month in which the MDS products are accessed

(b) For purposes of PSX Managed Data Solutions fees, the terms "Non-Professional", "Distributor", "Subscriber", and "PSX TotalView" shall have the same meaning as set forth in this Equity 7, Section 3 of the PSX Pricing Schedule.

**Market Data Distributor Fees**

(a) The charge to be paid by Distributors of the following real time data feeds of the Exchange shall be:

	<b><u>Monthly Direct Access Fee</u></b>	<b><u>Monthly Internal Distributor Fee</u></b>	<b><u>Monthly External Distributor Fee</u></b>
PSX TotalView	<u>\$ 1,000</u>	<u>\$ 500</u>	<u>\$ 1,250</u>

(b) A "distributor" of Exchange data is any entity that receives a feed or data file of Exchange data directly from the Exchange or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All distributors shall execute an Exchange distributor agreement. The Exchange itself is a vendor of its data feed(s) and has executed an Exchange distributor agreement and pays the distributor charge.

(c) "Direct Access" means a telecommunications interface with the Exchange for receiving Exchange data, or receiving an Exchange data feed within the Exchange co-location facility, or receiving Exchange data via an extranet access provider.

**Access and Redistribution Fee**

(a) Definitions: For purposes of this Equity 7, Section 3:



Real-Time distributor (includes delayed fee, if applicable) \$100

The Exchange may waive the foregoing fee for colleges and universities for devices used by students and professors in performing university or college research or classroom-related activities.

### **PSX TotalView**

#### (a) PSX TotalView Entitlement

The PSX TotalView entitlement allows a subscriber to see all individual Nasdaq PSX participant orders displayed in Nasdaq PSX, the aggregate size of such orders at each price level, and the trade data for executions that occur within Nasdaq PSX.

(1) Except as provided elsewhere in this rule, for the PSX TotalView entitlement there will be a \$40 monthly charge for each Subscriber for display usage or for nondisplay usage not based upon Direct Access.

(2) Distributors shall pay a monthly fee of \$50 for each Professional Subscriber for nondisplay usage of PSX TotalView based upon Direct Access.

(3) As an alternative to (a)(2), a market participant may purchase an enterprise license at a rate of \$17,000 per month for internal use of non-display data, based upon Direct Access. The enterprise license entitles a distributor to provide PSX TotalView to an unlimited number of non-display devices within its firm.

#### (b) Non-Professional Services

(1) The charge to be paid by non-professional Subscribers for access to PSX TotalView Service through an authorized vendor shall be \$1.00 per Subscriber per month.

(2) A "non-professional" is a natural person who is neither:

(A) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association;

(B) engaged as an "investment adviser" as that term is defined in Section 202(a)(11) of the Investment Advisors Act of 1940 (whether or not registered or qualified under that Act); nor

(C) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt.

(c) Free-Trial Offers

(1) For the period ending on the last day of the twelfth full calendar month following the launch of Nasdaq PSX, the Exchange will waive Subscriber fees, enterprise license fees, Direct Access fees, and Distributor fees (but not the Annual Administrative fee) for PSX TotalView.

(2) After the period of one year from the launch of Nasdaq PSX, the Exchange will allow distributors to provide PSX TotalView to new Subscribers receiving PSX TotalView for the first time free of charge for an individual one-month trial period. This fee waiver will be applied to the first full month of charges following the date on which a new individual Subscriber or potential individual Subscriber is first entitled by a distributor to receive access to PSX TotalView. A distributor may only provide this waiver to a specific individual Subscriber once. For the period of any waiver, the PSX TotalView fees of \$40 or \$50 per Subscriber per month, as applicable, (professional) or \$1 per Subscriber per month (non-professional) will be waived.

In addition, a market participant opting to receive an enterprise license at a rate of \$17,000 per month will have that fee waived for the first full month of charges following the date on which the market participant first receives access to PSX TotalView.

(d) A "Subscriber" is any access that a distributor of the data entitlement package(s) provides to: (1) access the information in the data entitlement package(s); or (2) communicate with the distributor so as to cause the distributor to access the information in the data entitlement package(s). If a Subscriber is part of an electronic network between computers used for investment, trading or order routing activities, the burden shall be on the distributor to demonstrate that the particular Subscriber should not have to pay for an entitlement. For example, in some display systems the distributor gives the Subscriber a choice to see the data or not; a Subscriber that chooses not to see the data would not be charged. Similarly, in a non-display system, Subscribers may have a choice of basic or advanced computerized trading or order routing services, where only the advanced version uses the information. Subscribers of the basic service then would be excluded from the entitlement requirement.

**Aggregation of Activity of Affiliated Member Organizations**

(a) For purposes of applying any PSX charge or credit where the charge assessed, or credit provided, by the Exchange depends upon the volume of a member organization's activity, a member organization may request that the Exchange aggregate its activity with the activity of its affiliates.

(1) A member organization requesting aggregation of affiliate activity shall be required to certify to the Exchange the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform the Exchange immediately of any event that causes an entity to cease to be an affiliate. The Exchange shall review available information regarding the entities,

and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.

(2) If two or more member organizations become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more members become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.

(b) For purposes of applying any PSX charge or credit where the charge assessed, or credit provided, by the Exchange depends upon the volume of a member organization's activity, references to an entity (including references to a "member organization" or a "participant") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(c) For purposes of this provision, the term "affiliate" of a member organization shall mean any member organization under 75% common ownership or control of that member organization.

### **Installation, Removal or Relocation**

Upon installation, removal, relocation of terminal and related equipment, or combination thereof, the subscriber shall pay charges incurred by the Exchange, on behalf of the subscriber for the work being performed by the maintenance organization retained by the Exchange.

### **Other Requests for Data**

The Exchange may impose and collect compensatory charges for data the Exchange supplied upon request, where there is no provision elsewhere in the Pricing Schedule for charges for such service or sale.

### **Partial Month Charges**

Distributors may elect to have the charges for the month of commencement or termination of service be billed on a full month basis or prorated based on the number of trade days in that month.

### **PSX Last Sale and Nasdaq Last Sale Plus Data Feeds**

(a) PSX Last Sale. The Exchange shall offer proprietary data feeds containing real-time last sale information for trades executed on the Exchange. There shall be no fee for PSX Last Sale Data Feeds.

(1) "PSX Last Sale for Nasdaq" shall contain all transaction reports for Nasdaq-listed securities; and

(2) "PSX Last Sale for NYSE/NYSEAmex" shall contain all such transaction reports for securities listed on NYSE, NYSE Amex, and other exchanges.

(b) Nasdaq Last Sale Plus ("NLS Plus"). NLS Plus is a comprehensive data feed produced by Nasdaq Information LLC. It provides last sale data as well as consolidated volume of Nasdaq U.S. equity markets (PSX, The Nasdaq Stock Market ("Nasdaq"), and Nasdaq BX ("BX")) and the FINRA/Nasdaq Trade Reporting Facility ("TRF"). NLS Plus also reflects cumulative volume real-time trading activity across all U.S. exchanges for Tape C securities.

NLS Plus also contains: Trade Price, Trade Size, Sale Condition Modifiers, Cumulative Consolidated Market Volume, End of Day Trade Summary, Adjusted Closing Price, IPO Information, and Bloomberg ID. Additionally, pertinent regulatory information such as Market Wide Circuit Breaker, Reg SHO Short Sale Price Test Restricted Indicator, Trading Action, and Symbol Directory are included. NLS Plus may be received by itself or in combination with Nasdaq Basic. Additionally, NLS Plus reflects cumulative volume real-time trading activity across all U.S. exchanges for Tape A securities and Tape B securities.

(1) Firms that receive NLS Plus shall pay the monthly administrative fees for NLS, BX Last Sale, and PSX Last Sale. Additionally, Internal Distributors or External Distributors shall pay a data consolidation fee of \$350 per month. "Internal Distributors" are Distributors that receive NLS Plus data and then distribute that data to one or more Subscribers within the Distributor's own entity. "External Distributors" are Distributors that receive NLS Plus data and then distribute that data to one or more Subscribers outside the Distributor's own entity.

(2) Firms that receive NLS Plus would either be liable for NLS fees or Nasdaq Basic fees.

(3) In the event that Nasdaq BX and/or Nasdaq PHLX adopt user fees for BX Last Sale and/or PSX Last Sale, firms that receive NLS Plus would also be liable for such fees.

(4) Firms that purchase a market data enterprise license for display usage under Nasdaq Rule 7032 shall not pay monthly administrative fees for NLS, BX Last Sale and PSX Last Sale, a data consolidation fee for Internal or External Distributors, or user fees for BX Last Sale and/or PSX Last Sale, in the event that such fees are adopted.

**PSX BBO Feeds**

The Exchange shall offer proprietary data feeds containing real-time market information from PSX. There shall be no fee for PSX BBO Feeds.

(a) "PSX BBO for Nasdaq" shall contain PSX's best bid and offer for Nasdaq-listed securities;

(b) "PSX BBO for NYSE" shall contain PSX's best bid and offer for NYSE-listed securities; and

(c) "PSX BBO for NYSE Amex" shall contain PSX's best bid and offer for NYSE Amex-listed securities.

**PSX Ouch BBO Feed**

The Exchange shall offer a proprietary data feed containing real-time information concerning the Exchange's internal view of the national best bid and offer at that time, containing the expected bid price and ask price for each security traded on PSX. There shall be no fee for the PSX Ouch BBO Feed.

**PSX Trading and Compliance Data Package**

PSX Participants shall be entitled to receive the PSX Trading and Compliance Data Package via NasdaqTrader.com. The PSX Trading and Compliance Data Package provides historical data reports containing trading reporting information about the Participant's own activity in PSX, for delivery on an end-of-day or T+1 basis.

The Exchange may modify the contents of the PSX Trading and Compliance Data Package from time to time based on subscriber interest. There shall be no fee for the PSX Trading and Compliance Data Package.

**QView**

QView is a web-based tool designed to give a subscribing member the ability to track its order flow on PSX, and create both real-time and historical reports of such order flow. Members may subscribe to QView for a fee of \$100 per month, per member firm.

**Short Sale Monitor**

(a) The Short Sale Monitor is a real-time surveillance and alert tool that assists member firms with monitoring and post trade analysis of their short sale and short sale exempt trades reported to the FINRA/Nasdaq Trade Reporting Facility (TRF), which includes real-time alerts of covered securities subject to the restrictions of SEC Rule 201, reports of a member firm's trades marked as "short" that are subject to the restrictions of SEC Rule 201, and reports of a member firm's trades marked as "short exempt."



The Short Sale Monitor is available to each member firm at no cost for a trial period ending March 31, 2011, and for a fee of \$750 per MPID, per month thereafter.

(b) The PSX Data Add-On service provides an MPID subscribed to the Short Sale Monitor subscription with a record of trades in covered securities executed on PSX that are marked "short exempt." The PSX Data Add-On service is available at no cost for a trial period ending March 31, 2011, and for a fee of \$50 per MPID, per month. An MPID subscribed to the Short Sale Monitor of Nasdaq or Nasdaq BX need not subscribe additionally to the PSX Short Sale Monitor to subscribe to the PSX Data Add-On service.

### **PSX Pre-Trade Risk Management**

(a) Users of PSX Pre-trade Risk Management ("PRM") will be assessed a monthly fee based on the following table, and such fees will not exceed \$25,000 per member firm, per month:

<u>Port Tiers</u>	<u>Number of PRM-Enabled Ports</u>	<u>Monthly Fee</u>
<u>Tier 1</u>	<u>50 or more</u>	<u>\$400 per port, per month</u>
<u>Tier 2</u>	<u>20 to 49</u>	<u>\$500 per port, per month</u>
<u>Tier 3</u>	<u>5 to 19</u>	<u>\$550 per port, per month</u>
<u>Tier 4</u>	<u>1 to 4</u>	<u>\$600 per port, per month</u>

(b) Users of PRM services specified below will be assessed the following charges in addition to the applicable PRM-enabled port charges:

<u>PRM Modules</u>	<u>No charge</u>
<u>Aggregate Total Checks</u>	<u>No charge</u>
<u>PRM Workstation Add-ons to an existing Workstation or WeblinkACT 2.0</u>	<u>\$100 per each PRM Workstation Add-on per month</u>

## **Section 4. Membership Fees**

### **A. Permit and Registration Fees**

PSX Only Permit Fees:

Members and member organizations: \$4,000 in a given month, unless the member or

member organization averages at least 1,000 shares executed per day in a given month, or the extent of the member's or member organization's business on PSX is limited to clearing-only, in which case the Permit Fee will be \$0.00. The business of a member or member organization is considering "clearing-only" if it does not execute any trades on PSX throughout a given month, it maintains no active connections to do so (either under its own MPID or through a sponsored access relationship on behalf of another member or member organization), and it maintains PSX membership for the sole purpose of clearing trades on behalf of another member or member organization that is actively trading on PSX.

Application Fee\*

\$350

Application Fee for Lapsed Applications\*

\$350

An applicant will be assessed the Application Fee each time an applicant applies for membership, notwithstanding the fact that the applicant may have been a former permit holder.

Transfer of Affiliation Fee

\$350

The Exchange will not assess the Initiation Fee on a permit holder who applies to transfer affiliation from one member organization to another member organization if the permit holder continuously held his or her permit without any lapse in membership.

Account Fee\*

\$50.00 monthly

Initiation Fee\*

\$1,500

\* Applicants that apply for membership solely to participate in the Nasdaq PSX equities market are not assessed an Application Fee, Initiation Fee, or Account Fee. Should such approved member or member organization subsequently elect to engage in business on the Exchange's options platform, the Initiation Fee and Account Fee will apply.

• Permit Fees: The Exchange has established the date of notification of termination of a permit as the date that permit fee billing will cease. The Exchange will not bill a member organization for more than one monthly permit fee if the member organization transfers an existing permit to another valid permit holder that is primarily affiliated with the member organization, as set forth in Rules 908(f) and 910, provided that the transfer from one permit holder to another occurs within the same business day. Additionally, a permit holder will be billed only one monthly permit fee if the holder transfers from one member organization to another previously unrelated member organization as a result of a merger, partial sale or other business combination during a monthly permit fee period in order to avoid double billing in the month the merger or business combination occurred.

- The Initiation Fee is imposed on a new member upon the issuance of a permit, notwithstanding the fact that the new member may have been a former permit holder.

\* \* \* \* \*

## **Options Rules**

\* \* \* \* \*

### **Options 7 Pricing Schedule**

#### **Section 1 General Provisions**

(a) The exchange calculates fees on a trade date basis.

Policy for amending billing information: corrections submitted after trade date and prior to the issuance of an invoice by the exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. Only members may submit trade corrections.

All billing disputes must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes must be submitted no later than sixty (60) days after receipt of a billing invoice, except for disputes concerning proprietary data feed fees. The Exchange calculates fees on a trade date basis. Only members may submit billing disputes.

(b) For Phlx Options: Any day that the market is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from the ADV calculation or calculation based on a percentage of industry volume; provided that the Exchange will only remove the day for members that would have a lower ADV or percentage of industry volume with the day included. If a day is removed from a calculation based on a percentage of monthly industry volume, volume executed that day will be removed from both the numerator and the denominator of the calculation.

For purposes of assessing options fees and paying rebates, the following references should serve as guidance.

The term "**Customer**" applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of a broker or dealer or for the account of a "Professional" (as that term is defined in Rule 1000(b)(14)).

The term "**Specialist**" applies to transactions for the account of a Specialist (as defined in Exchange Rule 1020(a)). A Specialist is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a). An options Specialist includes a Remote Specialist which is defined as an options specialist in one or more classes that does not

have a physical presence on an Exchange floor and is approved by the Exchange pursuant to Rule 501.

The term "**ROT, SQT and RSQT**" applies to transactions for the accounts of Registered Option Traders ("ROTs"), Streaming Quote Traders ("SQTs"), and Remote Streaming Quote Traders ("RSQTs"). For purposes of the Pricing Schedule, the term "**Market Maker**" will be utilized to describe fees and rebates applicable to ROTs, SQTs and RSQTs. RSQTs may also be referred to as Remote Market Markers ("RMMs").

The term "**Registered Option Trader**" is defined in Exchange Rule 1014(b) as a regular member of the Exchange located on the trading floor who has received permission from the Exchange to trade in options for his own account. A ROT includes SQTs and RSQTs as well as on and off-floor ROTS.

The term "**Streaming Quote Trader**" is defined in Exchange Rule 1014(b)(ii)(A) as an ROT who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned.

The term "**Remote Streaming Quote Trader**" is defined in Exchange Rule in 1014(b)(ii)(B) as an ROT that is a member affiliated with an RSQTO with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. A Remote Streaming Quote Trader Organization or "RSQTO," which may also be referred to as a Remote Market Making Organization ("RMO"), is a member organization in good standing that satisfies the RSQTO readiness requirements in Rule 507(a).

The term "**Firm**" applies to any transaction that is identified by a member or member organization for clearing in the Firm range at OCC.

The term "**Professional**" applies to transactions for the accounts of Professionals, as defined in Exchange Rule 1000(b)(14) 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).

The term "**Broker-Dealer**" 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 member or member organization 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. A JBO participant is a member, member organization or non-member organization 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 at Exchange Rule 703.

The term "**Common Ownership**" shall mean members or member organizations under 75% common ownership or control.

The term "**Non-Customer**" applies to transactions for the accounts of Specialists, Market Makers, Firms, Professionals, Broker-Dealers and JBOs.

**For Purposes of Common Ownership Aggregation of Activity of Affiliated Members and Member Organizations**

(a) For purposes of applying any options transaction fee or rebate where the fee assessed, or rebate provided by the Exchange depends upon the volume of a member or member organization's activity, a member or member organization may request that the Exchange aggregate its activity with the activity of its affiliates.

(1) A member or member organization requesting aggregation of affiliate activity shall be required to certify to the Exchange the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform the Exchange immediately of any event that causes an entity to cease to be an affiliate. The Exchange shall review available information regarding the entities, and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.

(2) If two or more members or member organizations become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more members or member organizations become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.

(b) For purposes of applying any option transaction fee or rebate where the fee assessed, or rebate provided by the Exchange depends upon the volume of a member or member organization's activity, references to an entity (including references to a "member" or "member organization") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(c) For purposes of this provision, the term "affiliate" of a member or member organization shall mean any member or member organization under 75% common ownership or control of that member or member organization.

The term "**Appointed MM**" is a Phlx Market Maker or Specialist who has been appointed by an Order Flow Provider ("OFP") for purposes of qualifying as an Affiliated Entity. An OFP is a member or member organization that submits orders, as agent or principal, to the Exchange.

The term "**Appointed OFP**" is an OFP who has been appointed by a Phlx Market Maker or Specialist for purposes of qualifying as an Affiliated Entity.

The term "**Affiliated Entity**" is a relationship between an Appointed MM and an Appointed OFP for purposes of qualifying for certain pricing specified in the Pricing Schedule. Market Makers or Specialists, and OFPs are required to send an email to the Exchange to appoint their counterpart, at least 3 business days prior to the last day of the month to qualify for the next month. The Exchange will acknowledge receipt of the emails and specify the date the Affiliated Entity is eligible for applicable pricing, as specified in the Pricing Schedule. Each Affiliated Entity relationship will commence on the 1st of a month and may not be terminated prior to the end of any month. An Affiliated Entity relationship will terminate after a one (1) year period, unless either party terminates earlier in writing by sending an email to the Exchange at least 3 business days prior to the last day of the month to terminate for the next month. Affiliated Entity relationships must be renewed annually. Members and member organizations under Common Ownership may not qualify as a counterparty comprising an Affiliated Entity. Each member or member organization may qualify for only one (1) Affiliated Entity relationship at any given time.

#### **A. Mini Options Fees**

The following fees will apply to Mini Options as specified in Rule 1012, Commentary .13.

	<b><u>Customer</u></b>	<b><u>Professional</u></b>	<b><u>Specialist and Market Maker</u></b>	<b><u>Broker- Dealer</u></b>	<b><u>Firm</u></b>
<u>Mini Options</u>					
<u>Transaction Fee - Electronic Adding Liquidity</u>	<u>\$0.00</u>	<u>\$0.03</u>	<u>\$0.02</u>	<u>\$0.03</u>	<u>\$0.03</u>
<u>Mini Options</u>					
<u>Transaction Fee - Electronic Removing Liquidity</u>	<u>\$0.00</u>	<u>\$0.09</u>	<u>\$0.04</u>	<u>\$0.09</u>	<u>\$0.09</u>
<u>Mini Options</u>					
<u>Transaction Fee - Floor and QCC</u>	<u>\$0.00</u>	<u>\$0.09</u>	<u>\$0.09</u>	<u>\$0.09</u>	<u>\$0.09</u>

For executions that occur as part of PIXL, the following fees and rebates will apply:

- Initiating Order: \$0.015 per contract

- PIXL Order (Contra-party to the Initiating Order): Customer is \$0.00 and all others will be assessed a transaction fee of \$0.03 per contract.
- PIXL Order (Contra-party to other than the Initiating Order): Customer will be assessed a transaction fee of \$0.00 and all others will be assessed a transaction fee of \$0.03 per contract. The contra-party will be assessed a transaction fee of \$0.03 per contract.

Payment for Order Flow fees will be as follows:

- Penny Pilot Options: \$0.02
- All Other Options: \$0.06

QCC Transaction Fees and rebates defined in Options 7, Section 4 do not apply to Mini Options.

Routing Fees set forth in Options 7, Section 7 apply to Mini Options.

The Monthly Market Maker Cap and the Monthly Firm Fee Cap set forth in Options 7, Section 4 as well as other options transaction fee caps, discounts or rebates will not apply to transactions in Mini Options.

Mini Options volume will be included in the calculations for the Customer Rebate Program eligibility but will not be eligible to receive the rebates associated with the Customer Rebate Program.

**B. Customer Rebate Program**

The Customer Rebate Tiers described below will be calculated by totaling Customer volume in Multiply Listed Options (including SPY) that are electronically-delivered and executed, except volume associated with electronic QCC Orders, as defined in Exchange Rule 1080(o). Rebates will be paid on Customer Rebate Tiers according to the below categories. Members and member organizations under Common Ownership may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. Affiliated Entities may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates.

<u>Customer Rebate Tiers</u>	<u>Percentage Thresholds of National Customer Volume in Multiply- Listed Equity and ETF Options Classes, excluding SPY Options (Monthly)</u>	<u>Category</u>	<u>Category</u>	<u>Category</u>	<u>Category</u>
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>

<u>Tier 1</u>	<u>0.00% - 0.60%</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<u>Tier 2</u>	<u>Above 0.60% - 1.10%</u>	<u>\$0.10*</u>	<u>\$0.10*</u>	<u>\$0.16*<sup>#</sup></u>	<u>\$0.21*<sup>#</sup></u>
<u>Tier 3</u>	<u>Above 1.10% - 1.60%</u>	<u>\$0.15</u>	<u>\$0.12*</u>	<u>\$0.18*<sup>#</sup></u>	<u>\$0.22*<sup>#</sup></u>
<u>Tier 4</u>	<u>Above 1.60% - 2.50%</u>	<u>\$0.20</u>	<u>\$0.16</u>	<u>\$0.22<sup>#</sup></u>	<u>\$0.26<sup>#</sup></u>
<u>Tier 5</u>	<u>Above 2.50%</u>	<u>\$0.21</u>	<u>\$0.17</u>	<u>\$0.22<sup>#</sup></u>	<u>\$0.27<sup>#</sup></u>

Category A: Rebate will be paid to members executing electronically-delivered Customer Simple Orders in Penny Pilot Options and Customer Simple Orders in Non-Penny Pilot Options in Options 7, Section 4 symbols.

Category B: Rebate will be paid on Customer PIXL Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. In the instance where member organizations qualify for Tier 4 or higher in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of \$0.14 per contract. Rebates on Customer PIXL Orders will be capped at 4,000 contracts per order for Simple PIXL Orders.

Category C: Rebate will be paid to members executing electronically-delivered Customer Complex Orders in Penny Pilot Options in Options 7, Section 4 symbols. Rebate will be paid on Customer PIXL Complex Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will not be paid a rebate under any circumstances. The Category C Rebate will not be paid when an electronically-delivered Customer Complex Order, including Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Category D: Rebate will be paid to members executing electronically-delivered Customer Complex Orders in Non-Penny Pilot Options in Options 7, Section 4 symbols. Rebate will be paid on Customer PIXL Complex Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will not be paid a rebate under any circumstances. The Category D Rebate will not be paid when an electronically-delivered Customer Complex Order, including Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Rebates will not be paid on NDX or NDXP contracts in any Category, however NDX and NDXP contracts will count toward the volume requirement to qualify for a Customer Rebate Tier.

\*The Exchange will pay a \$0.02 per contract Category A and B rebate and a \$0.03 per contract Category C and D rebate in addition to the applicable Tier 2 and 3 rebate, provided the Specialist, Market Maker or Appointed MM has reached the Monthly



Market Maker Cap as defined in Options 7, Section 4, to: (1) a Specialist or Market Maker who is not under Common Ownership or is not a party of an Affiliated Entity; or (2) an OFP member or member organization affiliate under Common Ownership; or (3) an Appointed OFP of an Affiliated Entity.

#The Exchange will pay a \$0.05 per contract Category C and D rebate in addition to the applicable Tier 2, 3, 4 and 5 rebates to members or member organizations or member or member organization affiliated under Common Ownership provided the member or member organization qualified for any MARS Payments in Options 7, Section 6, Part E.

## **Section 2. Collection of Exchange Fees and Other Claims**

(a) Each member organization, and all applicants for registration as such shall be required to provide a clearing account number for an account at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to Rule 924. If a member disputes an invoice, the Exchange will not include the disputed amount in the debit if the member has disputed the amount in writing to the Exchange's designated staff by the 15th of the month, or the following business day if the 15th is not a business day, and the amount in dispute is at least \$10,000 or greater.

## **Section 3. Rebates and Fees for Adding and Removing Liquidity in SPY**

With respect to Section 3 of this Options 7 Pricing Schedule, 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, except with respect to orders that trigger an order exposure alert. Customer volume attributable to this section will be included in the calculation of Customer volume in Multiply Listed Options that are electronically-delivered and executed for purposes of the Customer Rebate Program in Section B. However, the rebates defined in Section B will not apply to electronic executions in SPY.

### **Part A. Simple Order**

	<u>Customer</u>	<u>Specialist</u>	<u>Market Maker</u>	<u>Firm</u>	<u>Broker- Dealer</u>	<u>Professional</u>
<u>Rebate for Adding Liquidity</u>	<u>\$0.00</u>	<u>*</u>	<u>*</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<u>Fee for Removing Liquidity</u>	<u>\$0.45</u>	<u>\$0.48</u>	<u>\$0.48</u>	<u>\$0.48</u>	<u>\$0.48</u>	<u>\$0.48</u>

\* The Simple Order Rebate for Adding Liquidity will be paid as noted below to Specialists and Market Makers adding the requisite amount of electronically executed Specialist and Market Maker Simple Order contracts per day in a month in SPY:

<u>Tiers</u>	<u>Average Daily Volume "ADV"</u>	<u>Rebate for Adding Liquidity</u>
<u>1</u>	<u>1 to 2,499</u>	<u>\$0.15</u>
<u>2</u>	<u>2,500 to 4,999</u>	<u>\$0.18</u>
<u>3</u>	<u>5,000 to 19,999</u>	<u>\$0.21</u>
<u>4</u>	<u>20,000 to 34,999</u>	<u>\$0.27</u>
<u>5</u>	<u>35,000 to 49,999</u>	<u>\$0.30</u>
<u>6</u>	<u>greater than 49,999</u>	<u>\$0.35</u>

### **Part B. Complex Order**

	<u>Customer Specialist</u>	<u>Market Maker</u>	<u>Firm</u>	<u>Broker- Dealer</u>	<u>Professional</u>
<u>Fee for Adding Liquidity</u>	<u>\$0.00</u>	<u>\$0.10</u>	<u>\$0.10</u>	<u>\$0.10</u>	<u>\$0.10</u>
<u>Fee for Removing Liquidity</u>	<u>\$0.00</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.50</u>	<u>\$0.50</u>

• Complex Order Fees for Removing Liquidity, applicable to Specialists and Market Makers, will be decreased by \$0.02 per contract when the Specialist or Market Maker transacts against a Customer Order directed to that Specialist or Market Maker for execution.

• Simple Orders that are executed against the individual components of Complex Orders will be assessed the fees and rebates in Part A. However, the individual components of such a Complex Order will be assessed the fees in Part B.

• Customers will be assessed \$0.00 per contract and all other market participants will be assessed \$0.15 per contract for executions against an order for which the Exchange broadcasts an order exposure alert in SPY.

- Customers will be assessed a \$0.15 per contract surcharge to the extent that they execute the individual components of their Complex Orders in SPY against Market Maker or Specialist quotes that are resting on the Simple Order Book.

**Part C. The following will apply to fees in Parts A and B:**

- The Monthly Market Maker Cap on transaction fees that are currently applicable to Market Makers and Specialists transacting Multiply Listed Options will not be applicable to electronic transactions in the SPY, except for QCC Transaction Fees.
- The Monthly Firm Fee Cap will apply to floor transactions and QCC electronic and QCC floor transactions in SPY.
- Marketing Fees defined in Options 7, Section 4 will not be collected on transactions in SPY.
- The Cancellation Fee for each cancelled electronically delivered Professional AON order will continue to apply to the SPY. The Cancellation Fee will not apply for each cancelled electronically delivered Customer order in SPY.
- Transactions in SPY originating on the Exchange floor will be subject to the Multiply Listed Options Fees (see Multiply Listed Options Fees in Options 7, Section 4). However, if one side of the transaction originates on the Exchange floor and any other side of the trade was the result of an electronically submitted order or a quote, then these fees will apply to the transactions which originated on the Exchange floor and contracts that are executed electronically on all sides of the transaction. The one side of the transaction which originates on the Exchange floor will count toward the volume which qualifies a participant for the Simple Order Rebate for Adding Liquidity for Specialists and Market Makers in SPY.
- A non-Complex electronic auction includes the Quote Exhaust auction and, for purposes of these fees, the opening process. A Complex electronic auction includes, but is not limited to, the Complex Order Live Auction ("COLA").
  - Customer executions that occur as part of a Complex electronic auction will be assessed \$0.00 per contract.
  - Customer executions that occur as part of a non-Complex electronic auction will be assessed \$0.00 per contract.
  - Professional, Firm, Broker-Dealer, Specialist and Market Maker executions that occur as part of a Complex electronic auction will be assessed the Fees for Removing Liquidity in Part B. Professional, Firm, Broker-Dealer, Specialist and Market Maker executions that occur as part of a non-Complex electronic auction will be assessed the Fees for Adding Liquidity in Part B.

- The QCC Transaction fees and rebates, defined in Options 7, Section 4, are applicable to this Section C.

PIXL Executions in SPY:

- Initiating Order: \$0.05 per contract. Members that qualify for Section B, Customer Rebate Tiers 2 through 6 or qualify for the Monthly Firm Fee Cap are eligible for a rebate of \$0.12 per contract for all SPY Complex PIXL Orders greater than 499 contracts, provided the member executes an average of 2,500 contracts per day of SPY Complex PIXL Orders in a month.
- When the PIXL Order is contra to the Initiating Order, a Customer PIXL Order will be assessed \$0.00 per contract and all other Non-Customer market participants will be assessed a \$0.38 per contract fee when contra to an Initiating Order.
- When the PIXL Order is contra to other than the Initiating Order, the PIXL Order will be assessed \$0.00 per contract, unless the PIXL Order is a Customer, in which case the Customer will receive a rebate of \$0.40 per contract.
- All other Non-Customer contra parties to the PIXL Order that are not the Initiating Order will be assessed a Fee for Removing Liquidity of \$0.50 per contract or will receive the Rebate for Adding Liquidity. When the PIXL Order is contra to a Specialist or Market Maker quote, which was established at the initiation of a PIXL auction, the Customer PIXL Order will not be eligible for a rebate.

**Section 4. Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed)**

	<u>Customer</u>		<u>Specialist and Market Maker</u>		<u>Broker-Dealer</u>		<u>Firm</u>		
	<u>ic</u>	<u>Floor</u>	<u>ic</u>	<u>Floor</u>	<u>ic</u>	<u>Floor</u>	<u>ic</u>	<u>Floor</u>	
<u>Options Transaction Charge (Penny Pilot)<sup>6</sup></u>	\$0.00	\$0.48 <sup>2</sup>	\$0.25 <sub>8</sub>	\$0.22	\$0.35 <sub>8</sub>	\$0.48 <sup>2</sup>	\$0.25 <sub>8</sub>	\$0.48 <sup>1, 2</sup>	\$0.25 <sub>8</sub>
<u>Options Transaction Charge (non-Penny Pilot)<sup>7</sup>, excluding</u>	\$0.00	\$0.75 <sup>3</sup>	\$0.25 <sub>8</sub>	\$0.25 <sup>4</sup>	\$0.35 <sub>8</sub>	\$0.75 <sup>3</sup>	\$0.25 <sub>8</sub>	\$0.75 <sup>1, 3</sup>	\$0.25 <sub>8</sub>

**NDX and  
NDXP**

<b><u>Options Transactions Charge NDX and NDXP<sup>5</sup></u></b>	\$0.00	\$0.75	$\frac{\$0.75}{8}$	\$0.75	$\frac{\$0.75}{8}$	\$0.75	$\frac{\$0.75}{8}$	\$0.75	$\frac{\$0.75}{8}$
<b><u>Options Surcharge in BKK</u></b>	N/A	\$0.10	$\frac{\$0.10}{8}$	\$0.10	$\frac{\$0.10}{8}$	\$0.10	$\frac{\$0.10}{8}$	\$0.10	$\frac{\$0.10}{8}$
<b><u>Cabinet Options</u></b>	\$0.00	N/A	$\frac{\$0.10}{8}$	N/A	$\frac{\$0.10}{8}$	N/A	$\frac{\$0.10}{8}$	N/A	$\frac{\$0.10}{8}$

- These fees are per contract.

<sup>1</sup>Firm electronic simple orders in AAPL, BAC, EEM, FB, FXI, IWM, QQQ, TWTR, VXX and XLF will be assessed \$0.45.

<sup>2</sup>Electronic Complex Orders will be assessed \$0.40 per contract.

<sup>3</sup>Any member or member organization under Common Ownership with another member or member organization or an Appointed OFP of an Affiliated Entity that qualifies for Customer Rebate Tiers 4 or 5 in Section B of the Pricing Schedule will be assessed \$0.65 per contract.

<sup>4</sup>Any member or member organization under Common Ownership with another member or member organization or an Appointed MM of an Affiliate Entity that qualifies for Customer Rebate Tiers 4 or 5 in Section B of the Pricing Schedule will be assessed \$0.23 per contract.

<sup>5</sup>For transactions in NDX and NDXP, a surcharge of \$0.25 per contract will be assessed to Non-Customers.

<sup>6</sup>A \$0.03 per contract surcharge will be assessed to electronic Complex Orders that remove liquidity from the Complex Order Book and auctions, excluding PIXL, in Penny Pilot Options (excluding SPY). An 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.

<sup>7</sup>A \$0.12 per contract surcharge will be assessed to Non-Customer electronic Complex Orders that remove liquidity from the Complex Order Book and auctions, excluding PIXL, in Non-Penny Pilot Options (excluding NDX and NDXP). An 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.

<sup>8</sup>Floor transaction fees will apply to any "as of" or "reversal" adjustments for manually processed trades originally submitted electronically or through FBMS.

• The Cabinet Fees above are not in addition to the Options Transaction Charges.

• QCC Transaction Fees for a Specialist, Market Maker, Firm and Broker-Dealer are \$0.20 per contract. Customers and Professionals are not assessed a QCC Transaction Fee. QCC Transaction Fees apply to QCC Orders, as defined in Exchange Rule 1080(o), and Floor QCC Orders, as defined in 1064(e). A rebate, as specified in the below QCC Rebate Schedule, will be paid for all qualifying executed QCC Orders, as defined in Exchange Rule 1080(o) and Floor QCC Orders, as defined in 1064(e), except where the transaction is either: (i) Customer-to-Customer; (ii) Customer-to-Professional, (iii) Professional-to-Professional or (iv) a dividend, merger, short stock interest or reversal or conversion strategy execution (as defined in Options 7, Section 4).

#### QCC Rebate Schedule

<u>Tier</u>	<u>Threshold</u>	<u>Rebate per Contract</u>
<u>Tier 1</u>	<u>0 to 99,999 contracts in a month</u>	<u>\$0.00</u>
<u>Tier 2</u>	<u>100,000 to 299,999 contracts in a month</u>	<u>\$0.05</u>
<u>Tier 3</u>	<u>300,000 to 499,999 contracts in a month</u>	<u>\$0.07</u>
<u>Tier 4</u>	<u>500,000 to 699,999 contracts in a month</u>	<u>\$0.08</u>
<u>Tier 5</u>	<u>700,000 to 999,999 contracts in a month</u>	<u>\$0.09</u>
<u>Tier 6</u>	<u>Over 1,000,000 contracts in a month</u>	<u>\$0.11</u>

The maximum QCC Rebate to be paid in a given month will not exceed \$550,000.

• Specialists and Market Makers are subject to a "Monthly Market Maker Cap" of \$500,000 for: (i) electronic Option Transaction Charges, excluding surcharges and excluding options overlying NDX and NDXP; and (ii) QCC Transaction Fees (as defined in Exchange Rule 1080(o) and Floor QCC Orders, as defined in 1064(e)). The trading activity of separate Specialist and Market Maker member organizations will be aggregated in calculating the Monthly Market Maker Cap if there is Common Ownership between the member organizations. All dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategy executions (as defined in this Options 7, Section 4) will be excluded from the Monthly Market Maker Cap. Specialists or

Market Makers that (i) are on the contra-side of an electronically-delivered and executed Customer order, excluding responses to a PIXL auction; and (ii) have reached the Monthly Market Maker Cap will be assessed fees as follows:

**Fee per contract**

\$0.05 per contract Fee for Adding Liquidity in Penny Pilot Options

\$0.18 per contract Fee for Removing Liquidity in Penny Pilot Options

\$0.18 per contract in Non-Penny Pilot Options

\$0.18 per contract in a non-Complex electronic auction, including the Quote Exhaust auction and, for purposes of this fee, the opening process. A Complex electronic auction includes, but is not limited to, the Complex Order Live Auction ("COLA"). Transactions which execute against an order for which the Exchange broadcast an order exposure alert in an electronic auction will be subject to this fee.

• Firms are subject to a maximum fee of \$75,000 ("Monthly Firm Fee Cap"). Firm Floor Option Transaction Charges and QCC Transaction Fees, as defined in this section above, in the aggregate, for one billing month will not exceed the Monthly Firm Fee Cap per member organization when such members are trading in their own proprietary account. All dividend, merger, and short stock interest strategy executions (as defined in this Options 7, Section 4) will be excluded from the Monthly Firm Fee Cap. NDX and NDXP Options Transactions will be excluded from the Monthly Firm Fee Cap. Reversal and conversion, jelly roll and box spread strategy executions (as defined in this Options 7, Section 4) will be included in the Monthly Firm Fee Cap. QCC Transaction Fees are included in the calculation of the Monthly Firm Fee Cap. Member organizations must notify the Exchange in writing of all accounts in which the member is not trading in its own proprietary account. The Exchange will not make adjustments to billing invoices where transactions are commingled in accounts which are not subject to the Monthly Firm Fee Cap.

• The Firm Floor Options Transaction Charges will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members are trading in their own proprietary account (including Cabinet Options Transaction Charges). The Firm Floor Options Transaction Charges will be waived for the buy side of a transaction if the same member or its affiliates under Common Ownership represents both sides of a Firm transaction when such members are trading in their own proprietary account. In addition, the Broker-Dealer Floor Options Transaction Charge (including Cabinet Options Transaction Charges) will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members would otherwise incur this charge for trading in their own proprietary account contra to a Customer ("BD-Customer Facilitation"), if the member's BD-Customer Facilitation average daily volume (including both FLEX and non-FLEX transactions) exceeds 10,000 contracts per day in a given

month. NDX and NDXP Options Transactions will be excluded from each of the waivers set forth in the above paragraph.

• Proprietary orders of affiliates of member organizations (non-member organizations) that qualify for the Monthly Firm Fee Cap ("Qualifying Member Organization") effected for purposes of hedging the proprietary over-the-counter trading of the Qualifying Member Organization or its affiliates will be included in calculating the Monthly Firm Fee Cap. Member organizations must notify the Exchange in writing of the account(s) designated for purposes of hedging the proprietary over-the-counter trading of the Qualifying Member Organization or its affiliates. The Exchange would require member organizations to segregate other orders from that of its affiliates for those orders to be eligible for the Monthly Firm Fee Cap. The Exchange will not make adjustments to billing invoices where transactions are commingled in accounts which are not subject to the Monthly Firm Fee Cap.

*Strategies Defined:*

• A **dividend strategy** is defined as transactions done to achieve a dividend arbitrage involving the purchase, sale and exercise of in-the-money options of the same class, executed the first business day prior to the date on which the underlying stock goes ex-dividend.

• A **merger strategy** is defined as transactions done to achieve a merger arbitrage involving the purchase, sale and exercise of options of the same class and expiration date, executed the first business day prior to the date on which shareholders of record are required to elect their respective form of consideration, i.e., cash or stock.

• A **short stock interest strategy** is defined as transactions done to achieve a short stock interest arbitrage involving the purchase, sale and exercise of in-the-money options of the same class.

• **Reversal and conversion strategies** are transactions that employ calls and puts of the same strike price and the underlying stock. Reversals are established by combining a short stock position with a short put and a long call position that shares the same strike and expiration. Conversions employ long positions in the underlying stock that accompany long puts and short calls sharing the same strike and expiration.

• A **jelly roll strategy** is defined as transactions created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position.

• A **box spread strategy** is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.



Strategy Caps:

To qualify for a strategy cap, the buy and sell side of a transaction must originate from the Exchange floor.

<u>Floor Options</u> <u>Transactions - Multiply</u> <u>Listed Options</u>	<u>Strategy</u>	<u>Qualification</u>	<u>Cap</u>
<u>Specialist, Market</u> <u>Maker, Professional,</u> <u>Firm and Broker- Dealer</u>	<u>dividend, merger and</u> <u>short stock interest</u> <u>strategies</u>	<u>executed on the same trading</u> <u>day in the same options class</u> <u>when such members are</u> <u>trading in their own</u> <u>proprietary accounts.</u>	<u>\$1,500</u>
<u>Specialist, Market</u> <u>Maker, Professional,</u> <u>Firm and Broker- Dealer</u>	<u>reversal and</u> <u>conversion strategies</u>	<u>executed on the same trading</u> <u>day in the same options class</u>	<u>\$700</u>
<u>Specialist, Market</u> <u>Maker, Professional,</u> <u>Firm and Broker- Dealer</u>	<u>jelly rolls</u>	<u>executed on the same trading</u> <u>day in the same options class</u>	<u>\$700</u>
<u>Specialist, Market</u> <u>Maker, Professional,</u> <u>Firm and Broker- Dealer</u>	<u>box spreads</u>	<u>executed on the same trading</u> <u>day in the same options class</u>	<u>\$700</u>
<u>Per member organization</u>	<u>dividend, merger,</u> <u>short stock interest,</u> <u>reversal and</u> <u>conversion, jelly roll</u> <u>and box spread</u> <u>strategies ("Monthly</u> <u>Strategy Cap")</u>	<u>combined executions in a</u> <u>month when trading in own</u> <u>proprietary accounts</u>	<u>\$65,000</u>

• Reversal and conversion, jelly roll and box spread strategy executions will not be included in the Monthly Strategy Cap for a Firm. Reversal and conversion, jelly roll and box spread strategy executions (as defined in this Options 7, Section 4) are included in the Monthly Firm Fee Cap. All dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategy executions (as defined in this Options 7, Section 4) will be excluded from the Monthly Market Maker Cap. NDX and NDXP Options Transactions will be excluded from Strategy Cap pricing.

Marketing Fees



	<u>Customer</u>	<u>Professional</u>	<u>Specialist and Market Maker</u>	<u>Firm</u>	<u>Broker-Dealer</u>	
<u>Options Transaction Charge</u>	\$0.40	\$0.75	\$0.40	\$0.75	\$0.75	
<u>FX Options</u>						
<u>Part A. Simple Order</u>						
	<u>Customer</u>	<u>Specialist</u>	<u>Market Maker</u>	<u>Firm</u>	<u>Broker- Dealer</u>	<u>Professional</u>
<u>Rebate for Adding Liquidity</u>	\$0.00	\$0.20	\$0.20	\$0.00	\$0.00	\$0.00
<u>Fee for Removing Liquidity</u>	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
<u>Part B. Complex Order</u>						
	<u>Customer</u>	<u>Specialist</u>	<u>Market Maker</u>	<u>Firm</u>	<u>Broker- Dealer</u>	<u>Professional</u>
<u>Fee for Adding Liquidity</u>	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
<u>Fee for Removing Liquidity</u>	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40

• These fees are per contract.

• Simple FX Options Orders that are executed against the individual components of Complex FX Options Orders will be assessed the fees and paid the rebates in Part A. However, the individual components of Complex FX Options Orders will be assessed the fees in Part B.

• Transactions in FX Options originating on the Exchange floor will be subject to the Fees for Removing Liquidity defined above. However, if one side of the transaction

originates on the Exchange floor and any other side of the trade was the result of an electronically submitted order or a quote, then the Fees for Removing Liquidity will apply to the transactions which originated on the Exchange floor and the contracts that are executed electronically will be subject to the rebates and fees, as applicable, for Simple and Complex Orders

The fees for FX Options executions in all electronic auctions including, but not limited to, the Quote Exhaust auction, the opening process and Complex electronic auction, including the Complex Order Live Auction ("COLA"), will be \$0.40 per contract for Customer, Professional, Firm, Broker-Dealer, Specialist and Market Maker.

PIXL Executions in FX Options:

- Initiating Order: \$0.20 per contract.
- All other participants: \$0.40 per contract.

## **Section 6. Other Transaction Fees**

### **A. PIXL Pricing\***

\*Options overlying NDX and NDXP are not subject to Options 7, Section 6., A. PIXL Pricing. NDX and NDXP transactions in PIXL will be subject to Options 7, Section 4 pricing.

#### **Initiating Order**

(Options 7, Section 4)

\$0.07 per contract. If the member or member organization qualifies for the Tier 3, 4 or 5 Customer Rebate in Section B the member or member organization will be assessed \$0.05 per contract. If the member or member organization executes equal to or greater than 3.00% of National Customer Volume in Multiply-Listed equity and ETF Options Classes (excluding SPY Options) in a given month, the member or member organization will be assessed \$0.00 per contract for Complex PIXL Orders. Any member or member organization under Common Ownership with another member or member organization that qualifies for a Customer Rebate Tier 4 or 5 in Section B, or executes equal to or greater than 3.00% of National Customer Volume in Multiply-Listed equity and ETF Options Classes (excluding SPY Options) in a given month will receive one of the PIXL Initiating Order discounts as described above. Members or member organizations that qualify for Customer Rebate Tiers 2 through 6 or qualify for the Monthly Firm Fee Cap are eligible for a rebate of \$0.12 per contract for all Complex PIXL Orders (excluding SPY Options) greater than 499 contracts, provided the member executes an average of 2,500 contracts per day of SPY Complex PIXL Orders in a month.

**PIXL Order Executions in Options 7, Section 4 Multiply Listed Options (including ETFs, ETNs and indexes which are Multiply Listed):**

- When the PIXL Order is contra to the Initiating Order a Customer PIXL Order will be assessed \$0.00 per contract and Non-Customer PIXL Orders will be assessed \$0.30 per contract.
- When a PIXL Order is contra to a PIXL Auction Responder, a Customer PIXL Order will be assessed \$0.00 per contract, other Non-Customer PIXL Orders will be assessed \$0.30 per contract in Penny Pilot Options or \$0.38 per contract in Non-Penny Pilot Options. A Responder that is a Specialist or a Market Maker will be assessed \$0.25 per contract in Penny Pilot Options or \$0.40 per contract in Non-Penny Pilot Options. Other Non-Customer Responders will be assessed \$0.48 per contract in Penny Pilot Options or \$0.70 per contract in Non-Penny Pilot Options when contra to a PIXL Order. A Responder that is a Customer will be assessed \$0.00 per contract in Penny Pilot Options and Non-Penny Pilot Options.
- When a PIXL Order is contra to a resting order or quote a Customer PIXL Order will be assessed \$0.00 per contract, other Non-Customer will be assessed \$0.30 per contract and the resting order or quote will be assessed the appropriate Options Transaction Charge in Options 7, Section 4.

All other fees discussed in Options 7, Section 4, including Marketing Fees and surcharges, will also apply as appropriate.

**Executions in Singly Listed Options in Options 7, Section 5 (Includes options overlying currencies, equities, ETFs, ETNs and indexes not listed on another exchange):**

- The fees described in Options 7, Section 5 will apply in all instances.

**B. FLEX Transaction Fees**

- FLEX Multiply Listed Options:

Customer                      \$0.00

Non-Customer                \$0.25

- The Monthly Firm Fee Cap, Monthly Market Maker Cap, Strategy Caps and the Options Surcharge in BKK, NDX and NDXP described in Options 7, Section 4 will apply to this Section 6, B. No other fees described in Options 7, Section 4 will apply to this Section 6.B.
- The FLEX transaction fees for a Firm will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members are trading in their own proprietary account. In addition, FLEX transaction fees for a Broker-

Dealer will be waived for members executing facilitation orders pursuant to Exchange Rule 1064 when such members would otherwise incur this charge for trading in their own proprietary account contra to a Customer ("BD-Customer Facilitation"), if the member's BD-Customer Facilitation average daily volume (including both FLEX and non-FLEX transactions) exceeds 10,000 contracts per day in a given month.

- FLEX Singly Listed Options: Options 7, Section 5 pricing will apply.
- FLEX NDX and NDXP Options: Options 7, Section 4 pricing will apply.

### **C. Cancellation Fee**

\$1.10 per order for each cancelled electronically delivered All-or-None (AON) order submitted by a Professional in excess of the number of AON orders submitted by a Professional executed on the Exchange by a member organization in a given month. All AON orders submitted by a Professional from the same member organization that are executed in the same series on the same side of the market at the same price within a 300 second period will be aggregated and counted as one executed AON option order submitted by a Professional.

- A Cancellation Fee is not assessed in a month in which fewer than 500 electronically delivered AON orders submitted by a Professional are cancelled. A Cancellation Fee will not apply to pre-market cancellations or Complex Orders that are submitted electronically.
- A Cancellation Fee is assessed on AON orders submitted by a Professional.

### **D. Options Regulatory Fee**

**\$0.0045 per contract side**

The Options Regulatory Fee ("ORF") is assessed by Phlx to each Phlx member for options transactions cleared by The Options Clearing Corporation ("OCC") in the Customer range where: (1) the execution occurs on Phlx or (2) the execution occurs on another exchange and is cleared by a Phlx member. The ORF is collected by OCC on behalf of Phlx from (1) Phlx clearing members for all Customer transactions they clear or (2) non-members for all Customer transactions they clear that were executed on Phlx. Phlx uses reports from OCC when assessing and collecting ORF. The Exchange will notify members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

### **E. Market Access and Routing Subsidy ("MARS")**

#### **MARS System Eligibility**

To qualify for MARS, a Phlx member's routing system ("hereinafter System") would be required to: (1) enable the electronic routing of orders to all of the U.S. options exchanges, including Phlx; (2)

provide current consolidated market data from the U.S. options exchanges; and (3) be capable of interfacing with Phlx's API to access current Phlx match engine functionality. Further, the member's System would also need to cause Phlx to be the one of the top five default destination exchanges for individually executed marketable orders if Phlx is at the national best bid or offer ("NBBO"), regardless of size or time, but allow any user to manually override Phlx as a default destination on an order-by-order basis. Notwithstanding the above, with respect to Complex Orders a Phlx member's routing system would not be required to enable the electronic routing of orders to all of the U.S. options exchanges or provide current consolidated market data from the U.S. options exchanges. Any Phlx member would be permitted to avail itself of this arrangement, provided that its order routing functionality incorporates the features described above and satisfies Phlx that it appears to be robust and reliable. The member remains solely responsible for implementing and operating its system.

### **MARS Eligible Contracts**

MARS Payment would be made to Phlx members that have System Eligibility and have routed the requisite number of Eligible Contracts daily in a month, which were executed on Phlx. For the purpose of qualifying for the MARS Payment, Eligible Contracts include the following: Firm, Broker-Dealer, Joint Back Office or "JBO" or Professional equity option orders that are electronically delivered and executed. Eligible Contracts do not include floor-based orders, qualified contingent cross or "QCC" orders, price improvement or "PIXL" orders, Mini Option orders or Singly Listed Orders. Options overlying NDX and NDXP are not considered Eligible Contracts.

### **MARS Payment**

Phlx members that have System Eligibility and have executed the requisite number of Eligible Contracts in a month will be paid the following per contract rebates:

<u>Tiers</u>	<u>Average Daily Volume ("ADV")</u>	<u>MARS Payment</u>	
		<u>Non-SPY</u>	<u>SPY</u>
<u>1</u>	<u>1,000</u>	<u>\$0.01</u>	<u>\$0.01</u>
<u>2</u>	<u>30,000</u>	<u>\$0.10</u>	<u>\$0.10</u>

<u>3</u>	<u>40,000</u>	<u>\$0.12</u>	<u>\$0.12</u>
<u>4</u>	<u>52,500</u>	<u>\$0.14</u>	<u>\$0.12</u>
<u>5</u>	<u>65,000</u>	<u>\$0.18</u>	<u>\$0.12</u>
<u>6</u>	<u>75,000</u>	<u>\$0.20</u>	<u>\$0.12</u>

The specified MARS Payment will be paid on all executed Eligible Contracts which are routed to Phlx through a participating Phlx member's System and meet the requisite Eligible Contracts ADV. No payment will be made with respect to orders that are routed to Phlx, but not executed.

A Phlx member will not be entitled to receive any other revenue for the use of its System specifically with respect to orders routed to Phlx with the exception of the Marketing Fee.

### **Section 7. Routing Fees**

**Non-Customer** • \$0.99 per contract to any options exchange.

**Customer** • Routing Fees to NOM: \$0.13 per contract fee ("Fixed Fee") in addition to the actual transaction fee assessed.

• Routing Fees to BX Options: \$0.13.

• Routing Fees to all other options exchanges: \$0.23 per contract fee ("Fixed Fee") in addition to the actual transaction fee assessed. If the away market pays a rebate, the Routing Fee will be \$0.13.

• A member organization that: (1) qualifies for a Tier 2, 3, 4 or 5 rebate in the Customer Rebate Program in Section B of the Pricing Schedule; and (2) routes away more than 5,000 Customer contracts per day in a given month to an away market is entitled to receive a credit equal to the applicable Fixed Fee plus \$0.01 per contract, unless the away market transaction fee is \$0.00 or the away market pays a rebate, in which case the member organization is entitled to receive a credit equal to the applicable Fixed Fee. Members and member organizations under Common Ownership may aggregate their Customer volume routed away for purposes of calculating discount thresholds and receiving discounted routing fees.

### **Section 8. Membership Fees**

#### **A. Permit and Registration Fees**



Permit Fees for Phlx Members (per month)Phlx Permit Fees

<u>Floor Broker Permit Fee</u>	<u>\$4,000</u>
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<u>Floor Specialist and Floor Market Maker</u>	<u>\$6,000</u>
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Permit Fees for all other member and member organizations, including Remote Specialists and Remote Market Makers: \$4,000 in a given month, unless the member or member organization or member organizations under Common Ownership, executes at least 100 options in a Phlx house account that is assigned to one of the member organizations in a given month, in which case the Permit Fee will be \$2,300 for that month.

A member or member organization will pay an additional Permit Fee for each sponsored options participant, which fee will be the Permit Fee that is assessed to the member or member organization sponsoring the options participant.

Application Fee

	<u>\$350</u>
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<u>Application Fee for Lapsed Applications</u>	<u>\$350</u>
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An applicant will be assessed the Application Fee each time an applicant applies for membership, notwithstanding the fact that the applicant may have been a former permit holder.

<u>Transfer of Affiliation Fee</u>	<u>\$350</u>
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The Exchange will not assess the Initiation Fee on a permit holder who applies to transfer affiliation from one member organization to another member organization if the permit holder continuously held his or her permit without any lapse in membership.

<u>Account Fee</u>	<u>\$50.00 monthly</u>
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<u>Initiation Fee</u>	<u>\$1,500</u>
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<u>Inactive Nominee Fee</u>	<u>\$600 for 6 months</u>
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The member organization will be assessed \$100 per month for the applicable six month period unless the member organization provides proper notice of its intent to terminate an

inactive nominee prior to the first day of the next billing month.

An inactive nominee's status expires after six months unless it has been reaffirmed in writing by the member organization or is sooner terminated. A member organization will be assessed the Inactive Nominee Fee every time the status is reaffirmed. An inactive nominee is also assessed Application and Initiation Fees when such person applies to be an inactive nominee. Such fees are reassessed if there is a lapse in their inactive nominee status. However, an inactive nominee would not be assessed Application and Initiation Fees if such inactive nominee applied for membership without any lapse in that individual's association with a particular member organization. An Inactive Nominee is also assessed the Clerk Fee.

• Permit Fees: The Exchange has established the date of notification of termination of a permit as the date that permit fee billing will cease. The Exchange will not bill a member organization for more than one monthly permit fee if the member organization transfers an existing permit to another valid permit holder that is primarily affiliated with the member organization, as set forth in Rules 908(f) and 910, provided that the transfer from one permit holder to another occurs within the same business day. Additionally, a permit holder will be billed only one monthly permit fee if the holder transfers from one member organization to another previously unrelated member organization as a result of a merger, partial sale or other business combination during a monthly permit fee period in order to avoid double billing in the month the merger or business combination occurred.

• The Initiation Fee is imposed on a new member upon the issuance of a permit, notwithstanding the fact that the new member may have been a former permit holder.

### **Clerk Fee**

\$100 per month

• This Clerk Fee is imposed on any registered on-floor person employed by or associated with a member or member organization pursuant to Rule 1090, including Inactive Nominees pursuant to Rule 925. This fee is not imposed on permit holders.

### **B. Streaming Quote Trader ("SQT") Fees**

#### **Number of Option Class Assignments**

#### **SQT Fees**

Tier 1: Up to 200 classes

\$0.00 per calendar month

Tier 2: Up to 400 classes

\$2,200 per calendar month

Tier 3: Up to 600 classes

\$3200.00 per calendar month

Tier 4: Up to 800 classes

\$4200.00 per calendar month

<u>Tier 5: Up to 1000 classes</u>	<u>\$5200.00 per calendar month</u>
<u>Tier 6: Up to 1200 classes</u>	<u>\$6200.00 per calendar month</u>
<u>Tier 7: All equity issues</u>	<u>\$7,200 per calendar month</u>

In calculating the number of option class assignments, equity options including ETFs and ETNs will be counted. Currencies and indexes will not be counted in the number of option class assignments.

### **C. Remote Market Maker Organization (RMO) Fee**

<b><u>Number of Option Class Assignments</u></b>	<b><u>RMO Fee</u></b>
<u>Tier 1: less than 100 classes</u>	<u>\$5,000 per month</u>
<u>Tier 2: More than 100 classes and less than 999 classes</u>	<u>\$8,000 per month</u>
<u>Tier 3: 1000 or more classes</u>	<u>\$11,000 per month</u>

In calculating the number of option class assignments, equity options including ETFs and ETNs will be counted. Currencies and indexes will not be counted in the number of option class assignments.

**D. Remote Specialist Fee** \$200 per option allocation per month

The Remote Specialist Fee will be capped at \$4,500 per month.

## **Section 9. Other Member Fees**

### **A. OPTION TRADING FLOOR FEES**

<b><u>Floor Facility Fees</u></b> (applicable to Clerks (excluding Inactive Nominees pursuant to Rule 925), Floor Brokers, ROTs (including SQTs) and individual Specialists)	<u>\$330 per month</u>
<b><u>Computer Equipment Services, Repairs or Replacements</u></b>	<u>\$100 per service call and \$75 per person per hour (Two hour min)</u>

<b><u>Computer Relocation Requests</u></b>	<u>\$100 per service call and \$75 per person per hour (Two hour min)</u>
<b><u>Controller Space</u></b>	<u>\$0 per month</u>
<b><u>Document Removal Fee</u></b>	<u>\$250 per box</u>
<b><u>½ Cabinet</u></b>	<u>\$250 per month</u>
<b><u>Full Cabinet</u></b>	<u>\$800 per month</u>
<b><u>Cabinet-to-Cabinet Connectivity</u></b>	<u>\$50 per month</u>
<b><u>Cabinet-to-MPOE Connectivity</u></b>	<u>\$50 per month</u>
<b><u>Remote Hands Hourly</u></b> (Billable in quarter hour increments)	<u>\$150 per hour</u>

**B. Port Fees**

A port is a logical connection or session that enables a market participant to send inbound messages and/or receive outbound messages from the Exchange using various communication protocols. Port Fees are assessed in full month increments and are not prorated.

(i) The following order and quote protocols are available on Phlx:

**(1) FIX Port Fee** \$650 per month per mnemonic

The FIX Port Fee will be waived for mnemonics that are used exclusively for complex orders where one of the components of the complex order is the underlying security.

Member organizations will not be assessed a FIX Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

**(2) SQF Port Fee for ports that receive inbound quotes at any time within that month** \$1,250 per port per month up to a maximum of \$42,000 per month

Member organizations will not be assessed an active SQF Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. An active port shall mean that the port was utilized to submit a quote to the System during a given

month. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

**(3) SQF Purge Port Fee** \$500 per port per month for each of the first 5 SQF Purge Ports, and \$100 per port per month for each port thereafter.

(ii) The following order and execution information is available to members:

**(1) CTI Port Fee** \$650 per port per month for each of the first 5 CTI ports, and \$100 per port per month for each port thereafter.

**(2) TradeInfo Interface** \$95 per user per month

(iii) The following data port fees apply in connection with data subscriptions pursuant to Phlx's Pricing Schedule at Options 7, Section 10. These ports are available to non-Phlx members and Phlx members.

**(1) TOPO Port Fee** \$0 per port, per month

**(2) PHLX Orders Port Fee** \$0 per port, per month

**(3) PHLX Depth of Market Port Fee** \$0 per port, per month

(iv) Other Ports:

**Disaster Recovery Port Fee for ports in subsections (i) - (iii)** \$0 per port, per month

### **C. FINRA Fees**

#### Continuing Education Fees

• The Continuing Education Fee will be assessed as to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange Rule 640. **This fee is paid directly to FINRA.**

\$100.00 (\$55.00 if the Continuing Education is Web-based) for each individual who is required to complete the S101 or S201.

**FINRA, on behalf of the Exchange, will bill and collect these fees**

The following fees will be collected and retained by FINRA via the Web CRD registration system for the registration of associated persons of Exchange members that are not also FINRA members:

- (1) \$100 for each initial Form U4 filed for the registration of a representative or principal;
- (2) \$110 for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings;
- (3) \$45 annually for each of the member's registered representatives and principals for system processing;
- (4) \$15 for processing and posting to the CRD system each set of fingerprints submitted electronically by the member, plus a pass-through of any other charge imposed by the United States Department of Justice for processing each set of fingerprints;
- (5) \$30 for processing and posting to the CRD system each set of fingerprint cards submitted in non-electronic format by the member to FINRA, plus any other charge that may be imposed by the United States Department of Justice for processing each set of fingerprints;
- (6) \$30 for processing and posting to the CRD system each set of fingerprint results and identifying information that has been processed through a self-regulatory organization other than FINRA; and
- (7) \$110 for the additional processing of each initial or amended Form BD that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings.

#### **D. Appeal Fees**

<b><u>Review/Process Subordinated Loans</u></b>	<u>\$25</u>
<b><u>Forum Fee Pursuant to Rule 60</u></b>	<u>\$100</u>
<b><u>Review Fee Pursuant to Rule 124</u></b>	<u>\$250</u>
<b><u>Obvious Error and Catastrophic Error Fee Pursuant to Rule 1092(1)</u></b>	<u>\$500</u>

#### **E. Testing Facilities**

The Exchange operates a test environment in Carteret, New Jersey. References to the "Testing Facility" refers to this test environment.

Subscribers to the Testing Facility shall pay a fee of \$1,000 per hand-off, per month for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$1,000 per hand-off.

The connectivity provided under this rule also provides connectivity to the other test environments of The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC. Additionally, the connectivity may be utilized for either equities or options testing.

#### **F. Research Fee.**

The Exchange will assess a \$1,000 Research Fee for each transaction correction submitted by a member related to marking strategy transactions.

#### **Section 10. Proprietary Data Feed Fees Top of PHLX Options ("TOPO")**

<b><u>Account Type</u></b>	<b><u>Monthly Charge</u></b>
<u>Internal Distributor</u>	<u>\$2,000</u>
<u>External Distributor</u>	<u>\$2,500</u>
<u>Non-Professional Subscriber</u>	<u>\$1</u>
<u>Professional Subscriber</u>	<u>\$40</u>

- A Non-Professional Subscriber is a natural person who is neither: (i) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment adviser" as that term is defined in Section 201(11) of the Investment Advisors Act of 1940 (whether or not registered or qualified under that Act); nor (iii) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt. A Non-Professional Subscriber may only use the data provided for personal purposes and not for any commercial purpose.
- A Professional Subscriber is any Subscriber that is not a Non-Professional Subscriber. If the Nasdaq Subscriber agreement is signed in the name of a business or commercial entity, such entity would be considered a Professional Subscriber.

- The Monthly Charge per Subscriber (both Professional and Non-Professional) covers the usage of all four PHLX data products and will not be assessed separately for each data product. PHLX data is comprised of Top of Phlx Options ("TOPO"), TOPO Plus Orders, PHLX Orders and PHLX Depth Data feeds. For example, if a firm has one Professional (Non-Professional) Subscriber accessing TOPO, TOPO Plus Orders, PHLX Orders and PHLX Depth of Market the firm would only report the Subscriber once and pay \$40 (\$1 for Non-Professional).
- A "distributor" of Nasdaq PHLX data is any entity that receives a feed or data file of data directly from Nasdaq PHLX or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All distributors shall execute a Nasdaq PHLX distributor agreement.

### **Non-Display Enterprise License**

The \$10,000 per month Non-Display Enterprise License fee permits distribution to an unlimited number of internal non-display Subscribers without incurring additional fees for each internal Subscriber. The Non-Display Enterprise License covers non-display Subscriber fees for all PHLX proprietary direct data feed products and is in addition to any other associated distributor fees for PHLX proprietary direct data feed products.

### **Managed Data Solutions**

The charges to be paid by Distributors and Subscribers of Managed Data Solutions products for Non-Display Usage containing Top of PHLX Options shall be:

#### **Fee schedule for Managed Data Solutions Price for Non-Display Usage**

Managed Data Solution Administration Fee \$1,500/mo Per Distributor (for the right to offer Managed Data Solutions for Non-Display Usage to client organizations)

PHLX Managed Data Solution Subscriber Fee \$250/mo per Subscriber

The charges to be paid by Distributors and Subscribers of Managed Data Solutions products containing PHLX Orders shall be:

#### **Fee schedule for Managed Data Solutions Price for Non-Display Usage**

Managed Data Solution Administration Fee \$2,000/mo Per Distributor



(for the right to offer Managed Data Solutions for Non-Display Usage to client organizations)

PHLX Orders Managed Data Solution for Non-Display Usage      \$500/mo per Subscriber  
Subscriber Fee

**TOPO Plus Orders**

<b><u>Account Type</u></b>	<b><u>Monthly Charge</u></b>
<u>Internal Distributor</u>	<u>\$4,500</u>
<u>External Distributor</u>	<u>\$5,000</u>
<u>Non-Professional Subscriber</u>	<u>\$1</u>
<u>Professional Subscriber</u>	<u>\$40</u>

**PHLX Orders**

<b><u>Account Type</u></b>	<b><u>Monthly Charge</u></b>
<u>Internal Distributor</u>	<u>\$3,000</u>
<u>External Distributor</u>	<u>\$3,500</u>
<u>Non-Professional Subscriber</u>	<u>\$1</u>
<u>Professional Subscriber</u>	<u>\$40</u>

**PHLX Depth Data**

<b><u>Account Type</u></b>	<b><u>Monthly Charge</u></b>
<u>Internal Distributor</u>	<u>\$4,000</u>
<u>External Distributor</u>	<u>\$4,500</u>
<u>Non-Professional Subscriber</u>	<u>\$1</u>
<u>Professional Subscriber</u>	<u>\$40</u>

**PHLX Options Trade Outline ("PHOTO")**

<u>Account Type</u>	<u>Monthly Charge</u>
<u>End of Day Product Subscriber</u>	<u>\$500</u>
<u>Intra-Day Product Subscriber</u>	<u>\$1,500</u>

**PHOTO Historical Data**

<u>Account Type</u>	<u>Charge per calendar month Requested</u>
<u>End of Day Product Subscriber</u>	<u>\$400</u>
<u>Intra-Day Product Subscriber</u>	<u>\$750</u>

<sup>2</sup>For example, a subscriber who requests End of Day PHOTO Historical Data for the Month of March, 2009 would be charged \$400. A subscriber who requests End of Day PHOTO Historical Data for the months of March, 2009 and April, 2009 would be charged \$400 for the March, 2009 End of Day data and \$400 for the April, 2009 End of day data, for a total of \$800, etc. A subscriber who requests Intra-Day PHOTO Historical Data for the Month of March, 2009 would be charged \$750.00. A subscriber who requests Intra-Day PHOTO Historical Data for the months of March, 2009 and April, 2009 would be charged \$750 for the March, 2009 Intra-Day data and \$750 for the April, 2009 Intra-Day data, for a total of \$1,500, etc.

End of Day and Intra-Day reports for the period January 1, 2014, through June 30, 2014, will be available free of charge on the NasdaqTrader website (www.nasdatrader.com), or a successor website, to allow access to PHOTO Historical Data for this period.

**Section 11. Access and Redistribution Fee**

(a) Definitions: For purposes of this rule:

- (1) The term "Equipment Configuration" shall mean any line, circuit, router package, or other technical configuration used to provide a connection to the Exchange market data feeds.
- (2) The term "Extranet Provider" shall mean any entity that has signed the Nasdaq Extranet Connection Agreement and that establishes a telecommunications connection in the Exchange's co-location facility.
- (3) The term "Distributor" shall have the meaning set forth in Options 7, Section 10 of the Exchange Pricing Schedule.

(b) Extranet Providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds shall be assessed a monthly access and redistribution fee of \$1,000 per Equipment Configuration. If an Extranet Provider uses multiple Equipment Configurations to provide market data feeds to recipients, the access and redistribution fee shall apply to each such Equipment Configuration.

(c) Distributors (other than Extranet Providers) that utilize a Direct Circuit Connection to Phlx pursuant to General 8, Section 2 to receive Exchange market data feeds shall be assessed a monthly access and redistribution fee of \$1,000 per Direct Circuit Connection. If a Distributor (other than an Extranet Provider) uses multiple Direct Circuit Connections to receive market data feeds, the monthly fee shall apply to each. Distributors that use the same Direct Circuit Connection for the receipt of equities and options Exchange market data feeds will be assessed a single fee for that Direct Circuit Connection.

(d) The access and redistribution fees set forth above will not be charged for connectivity to market data feeds containing only consolidated data. For purposes of this rule, consolidated data is data disseminated by the Securities Information Processor for the Options Price Regulatory Authority.

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