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**NASDAQ Stock Market Rules**

**Options Rules**

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**Chapter XV Options Pricing**

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

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

The term "**NOM Market Maker**" or ("M") is a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.

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

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

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

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

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

With respect to Chapter XV, Sections 2(1) and (2) the order that is received by the trading system first in time shall be considered an order adding liquidity and an order that trades against that order shall be considered an order removing liquidity.

**Sec. 1** No Change.

**Sec. 2 NASDAQ Options Market—Fees and Rebates**

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

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

<b>Fees and Rebates (per executed contract)</b>						
	<b>Customer</b>	<b>Professional</b>	<b>Firm</b>	<b>Non-NOM Market Maker</b>	<b>NOM Market Maker</b>	<b>Broker- Dealer</b>
<b>Penny Pilot Options:</b>						
Rebate to Add Liquidity	***	***	\$0.10 <sub>2</sub>	\$0.10 <sup>2</sup>	#	\$0.10 <sup>2</sup>
Fee for Removing Liquidity	\$0.47	\$0.49 <sup>d</sup>	\$0.49 <sub>d</sub>	\$0.49 <sup>d</sup>	\$0.49 <sup>d</sup>	\$0.49 <sup>d</sup>
<b>Non-Penny Pilot Options (including NDX<sup>1</sup>):</b>						
Fee for Adding Liquidity	N/A	\$0.45	\$0.45 <sub>2</sub>	\$0.45 <sup>2</sup>	\$0.35	\$0.45 <sup>2</sup>
Fee for Removing Liquidity	\$0.85	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89
Rebate to Add Liquidity	\$0.84 <sup>3</sup>	N/A	N/A	N/A	N/A	
<b>SOX, HGX and OSX:</b>						
Fee for Adding Liquidity	\$0.40	\$0.89	\$0.89	\$0.89	\$0.40	\$0.89
Fee for Removing Liquidity	\$0.40	\$0.89	\$0.89	\$0.89	\$0.40	\$0.89

<sup>1</sup>For transactions in NDX, a surcharge of \$0.15 per contract will be added to the Fee for Adding Liquidity and the Fee for Removing Liquidity in Non-Penny Pilot Options, except for a Customer who will not be assessed a surcharge.

<sup>2</sup>A Participant that adds Firm, Non-NOM Market Maker or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 15,000 contracts per day or more in a given month will receive a Rebate to Add Liquidity in Penny Pilot Options of \$0.20 per contract and will pay a Fee for Adding Liquidity in Non-Penny Pilot Options of \$0.36 per contract.

<sup>3</sup>A Participant that qualifies for Penny Pilot Options Customer or Professional Rebate to Add Liquidity Tiers 7 or 8 in a given month will receive an additional \$0.01 per contract Non-Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Non-Penny Pilot Options in that month.

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

<b>Monthly Volume</b>		<b>Rebate to Add Liquidity</b>
<b>Tier 1</b>	Participant adds Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month	\$0.20
<b>Tier 2</b>	Participant adds Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.25
<b>Tier 3</b>	Participant adds Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.20% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.42
<b>Tier 4</b>	Participant adds Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.30% to 0.40% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.43
<b>Tier 5<sup>a</sup></b>	Participant adds Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant executed at least one order on NASDAQ's equity market	\$0.45

<b>Monthly Volume</b>		<b>Rebate to Add Liquidity</b>
<b>Tier 6</b> <sup>b,c</sup>	Participant has Total Volume of 100,000 or more contracts per day in a month, of which 25,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options	\$0.45
<b>Tier 7</b> <sup>b,c,d</sup>	Participant has Total Volume of 150,000 or more contracts per day in a month, of which 50,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options	\$0.47
<b>Tier 8</b> <sup>b,c,d</sup>	Participant adds Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of national customer volume in multiply-listed equity and ETF options classes in a month.	\$0.48 <sup>e</sup> (Customer) and \$0.47 (Professional)

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

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

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

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

<sup>e</sup>Participants that add Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.25% or more of national customer volume in multiply-listed equity and ETF options classes in a month will receive an additional \$0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.

# The NOM Market Maker Rebate to Add Liquidity in Penny Pilot Options will be paid as noted below.

<b>Monthly Volume</b>		<b>Rebate to Add Liquidity</b>
<b>Tier 1</b>	Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month	\$0.20
<b>Tier 2</b>	Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.25
<b>Tier 3</b>	Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.30% to 0.60% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.30
<b>Tier 4</b>	Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of above 0.60% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.32 or \$0.38 in the following symbols BAC, GLD, IWM, QQQ and VXX or \$0.40 in SPY
<b>Tier 5</b>	Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for the Tier 7 or Tier 8 Customer and/or Professional Rebate to Add Liquidity in Penny Pilot Options[.]	\$0.40
<b>Tier 6</b>	Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.80% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for the Tier 7 or Tier 8 Customer and/or Professional Rebate to Add Liquidity in Penny Pilot Options <u>or Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.90% of total industry customer equity and ETF option ADV contracts per day in a month</u>	\$0.42

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