

**EXHIBIT 5**

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

SECOND AMENDED AND RESTATED CONSTITUTION

OF

[INTERNATIONAL SECURITIES EXCHANGE]Nasdaq ISE, LLC

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SECOND AMENDED AND RESTATED CONSTITUTION

OF

[INTERNATIONAL SECURITIES EXCHANGE]Nasdaq ISE, LLC

ARTICLE I

SOLE LLC MEMBER

Section 1.1 Sole LLC Member. [International Securities Exchange]Nasdaq ISE, LLC (the “Exchange”) is a single member limited liability company with one limited liability company interest currently authorized (the “LLC Interest”). The holder of the LLC interest is International Securities Exchange Holdings, Inc., which may assign the LLC Interest as provided in the LLC Agreement (the “Sole LLC Member”).

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THIRD AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT

OF

[INTERNATIONAL SECURITIES EXCHANGE]Nasdaq ISE, LLC

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THIRD AMENDED AND RESTATED  
 LIMITED LIABILITY COMPANY AGREEMENT  
 OF  
 [INTERNATIONAL SECURITIES EXCHANGE]Nasdaq ISE, LLC

International Securities Exchange Holdings, Inc., a Delaware corporation (the “Sole LLC Member”), hereby forms [International Securities Exchange]Nasdaq ISE, LLC, a Delaware limited liability company (the “Company”), pursuant to and in accordance with the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq. (the “Act”), and hereby declares the following to be the Limited Liability Company Agreement (the “LLC Agreement”) of the Company.

ARTICLE I  
 FORMATION OF THE COMPANY

Section 1.1. No change.

Section 1.2. Name. The name of the Company is “[International Securities Exchange]Nasdaq ISE, LLC”.

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EXHIBIT B

Initial Board of Directors of [International Securities Exchange]Nasdaq ISE, LLC

David Krell and the following individuals shall be appointed as the initial directors of Nasdaq ISE, LLC:

Class 1	Class 2
Ivers W. Riley	Frank J. Jones, Ph.D.
Barbara Diamond	John F. Marshall, Ph.D.
Mark P. Kritzman	Sarah A. Miller
Richard Schmalensee, Ph.D.	Carleton Day Pearl
James V. Harkness	Jason Lehman
William A. Porter	

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[INTERNATIONAL SECURITIES EXCHANGE]Nasdaq ISE, LLC

RULES

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## Table of Contents

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### Chapter 21 ISE Stock Exchange LLC, Trading Rules

2100 – 2133 No change

Appendix A Other Nasdaq ISE Rules incorporated by reference

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## CHAPTER 1

### Definitions

#### Rule 100. Definitions

(a) The following terms, when used in these Rules, shall have the meanings specified in this Chapter 1, unless the context indicates otherwise. Any term defined in Article XIV of the Constitution of Nasdaq ISE, LLC (the “Constitution”) and not otherwise defined in this Chapter shall have the meaning assigned in Article XIV of the Constitution.

(1) - (51) No change.

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## CHAPTER 2

### Organization and Administration

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#### Rule 212. Sales Value Fee

The Sales Value Fee is assessed by the Exchange to each Member for sales on the Exchange with respect to which the Exchange is obligated to pay a fee to the Commission under Section 31 of the Exchange Act. To the extent that there may be any excess monies collected under this rule, the Exchange may retain those monies to help fund its general operating expenses. The sales transactions to which the fee applies are sales of options (other than options on a security index) and the sales of securities resulting from the exercise of physical-delivery options. The fee is collected indirectly from Members through their clearing firms by the Clearing Corporation on behalf of Nasdaq ISE with respect to options sales and options exercises. The Sales Value Fee is equal to (a) the Section 31 fee rate multiplied by (b) the Member's aggregate dollar

amount of covered sales resulting from options transactions occurring on the Exchange during any computational period.

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## CHAPTER 4

### Business Conduct

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#### Rule 413. Exemptions from Position Limits

(a) *Equity Hedge Exemption.* The following qualified hedging transactions and positions described in paragraphs (1) through (5) and (7) below shall be exempt from established position limits as prescribed under Rule 412(d) and Supplementary Material .03 to Rule 412. Hedge transactions and positions established pursuant to paragraphs eight (8) and nine (9) below are subject to a position limit equal to five (5) times the standard limit established under Rule 412(d) and Supplementary Material .03 to Rule 412. The equity hedge exemption is in addition to the standard limit and other exemptions available under Exchange Rules.

(1) – (6) No change.

(7) An equity option position is delta neutral, subject to the following:

(A) – (C) No change.

(D) Effect on Aggregation of Account Positions.

(1) No change.

(2) Notwithstanding subparagraph (D)(1), the net delta of an option position held by an entity entitled to rely on this exemption, or by a separate and distinct trading unit of such entity, may be calculated without regard to positions in or relating to the security underlying the option position held by an affiliated entity or by another trading unit within the same entity, provided that:

(i) the entity demonstrates to the Exchange's satisfaction that no control relationship, as defined in Nasdaq ISE Rule 412(f), exists between such affiliates or trading units; and

(ii) No change.

(3) No change.

(E) – (G) No change

(8) – (10) No change

(b) – (d) No change.

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## CHAPTER 5

### Securities Traded on the Exchange

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#### **Rule 508. Back-up Trading Arrangements**

(a) Nasdaq ISE is Disabled Exchange.

(1) Nasdaq ISE Exclusively Listed Options.

(i) For purposes of this Rule 508, the term "exclusively listed option" means an option that is listed exclusively by an exchange (because the exchange has an exclusive license to use, or has proprietary rights in, the interest underlying the option).

(ii) The Exchange ("Nasdaq ISE") may enter into arrangements with one or more other exchanges (each a "Back-up Exchange") to permit Nasdaq ISE and its Members to use a portion of the Back-up Exchange's facilities to conduct the trading of some or all of Nasdaq ISE's exclusively listed options in the event that the functions of Nasdaq ISE are severely and adversely affected by an emergency or extraordinary circumstances (a "Disabling Event"). Such option classes shall trade as listings of Nasdaq ISE. The facility of the Back-up Exchange used by Nasdaq ISE for this purpose will be deemed to be a facility of Nasdaq ISE.

(iii) Trading of Nasdaq ISE exclusively listed options on Nasdaq ISE's facility at the Back-up Exchange shall be conducted in accordance with the rules of the Back-up Exchange, except that (A) such trading shall be subject to Nasdaq ISE rules with respect to doing business with the public, margin requirements, net capital requirements, listing requirements and position limits and (B) Nasdaq ISE Members that are trading on Nasdaq ISE's facility at the Back-up Exchange (not including members of the Back-up Exchange who become temporary Members of Nasdaq ISE pursuant to paragraph (a)(1)(vi)) will be subject to Nasdaq ISE rules governing or applying to the maintenance of a person's or a firm's status as

a Member of Nasdaq ISE. In addition, Nasdaq ISE and the Back-up Exchange may agree that other Nasdaq ISE rules will apply to such trading. Nasdaq ISE and the Back-up Exchange have agreed to communicate to their members which rules apply in advance of trading. The Back-up Exchange rules that govern trading on Nasdaq ISE's facility at the Back-up Exchange shall be deemed to be Nasdaq ISE rules for purposes of such trading.

(iv) The Back-up Exchange has agreed to perform the related regulatory functions with respect to trading of Nasdaq ISE exclusively listed options on Nasdaq ISE's facility at the Back-up Exchange, in each case except as Nasdaq ISE and the Back-up Exchange may specifically agree otherwise. The Back-up Exchange and Nasdaq ISE have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of Nasdaq ISE exclusively listed options on Nasdaq ISE's facility at the Back-up Exchange. Nasdaq ISE shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to Nasdaq ISE's facility at the Back-up Exchange.

(v) Nasdaq ISE shall have the right to designate its Members that will be authorized to trade Nasdaq ISE exclusively listed options on Nasdaq ISE's facility at the Back-up Exchange and, if applicable, its Member(s) that will be a PMM or CMM in those options. If the Back-up Exchange is unable to accommodate all Nasdaq ISE Members that desire to trade on Nasdaq ISE's facility at the Back-up Exchange, Nasdaq ISE may determine which Members shall be eligible to trade at that facility. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the Member is a PMM or CMM in the applicable product(s), the number of contracts traded by the Member in the applicable product(s), market performance, and other factors relating to a Member's contribution to the market in the applicable product(s).

(vi) Members of the Back-up Exchange shall not be authorized to trade in any Nasdaq ISE exclusively listed options, except that (i) Nasdaq ISE may deputize willing brokers of the Back-up Exchange as temporary Nasdaq ISE Members to permit them to execute orders as brokers in Nasdaq ISE exclusively listed options traded on Nasdaq ISE's facility at the Back-up Exchange, and (ii) the Back-up Exchange has agreed that it will, at the instruction of Nasdaq ISE, select members of the Back-up Exchange that are willing to be deputized by Nasdaq ISE as temporary Nasdaq ISE Members authorized to trade Nasdaq ISE exclusively listed options on Nasdaq ISE's facility at the Back-up Exchange for such period of time following a Disabling Event as Nasdaq ISE determines to be appropriate, and Nasdaq ISE may deputize such members of the Back-up Exchange as temporary Nasdaq ISE Members for that purpose.

(2) Nasdaq ISE Singly Listed Options.

(i) For purposes of this Rule 508, the term "singly listed option" means an option that is not an "exclusively listed option" but that is listed by an exchange and not by any other national securities exchange.

(ii) Nasdaq ISE may enter into arrangements with a Back-up Exchange under which the Back-up Exchange will agree, in the event of a Disabling Event, to list for trading singly listed option classes that are then singly listed only by Nasdaq ISE and not by the Back-up Exchange. Any such option classes listed by the Back-up Exchange shall trade on the Back-up Exchange and in accordance with the rules of the Back-up Exchange. Such option classes shall be traded by members of the Back-up Exchange and by Nasdaq ISE Members selected by Nasdaq ISE to the extent the Back-up Exchange can accommodate Nasdaq ISE Members in the capacity of temporary members of the Back-up Exchange. If the Back-up Exchange is unable to accommodate all Nasdaq ISE Members that desire to trade singly listed options at the Back-up Exchange, Nasdaq ISE may determine which Members shall be eligible to trade such options at the Back-up Exchange. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the Member is a PMM or CMM in the applicable product(s), the number of contracts traded by the Member in the applicable product(s), market performance, and other factors relating to a Member's contribution to the market in the applicable product(s).

(iii) Any options class listed by the Back-up Exchange pursuant to paragraph (a)(2)(ii) that does not satisfy the standard listing and maintenance criteria of the Back-up Exchange will be subject, upon listing by the Back-up Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Back-up Exchange).

(3) Multiply Listed Options.

Nasdaq ISE may enter into arrangements with a Back-up Exchange to permit Nasdaq ISE Members to conduct trading on a Back-up Exchange of some or all of Nasdaq ISE's multiply listed options in the event of a Disabling Event. Such options shall trade as a listing of the Back-up Exchange and in accordance with the rules of the Back-up Exchange. Such options shall be traded by members of the Back-up Exchange and by Nasdaq ISE Members selected by Nasdaq ISE to the extent the Back-up Exchange can accommodate Nasdaq ISE Members in the capacity of temporary members of the Back-up Exchange. If the Back-up Exchange is unable to accommodate all Nasdaq ISE Members that desire to trade

multiply listed options at the Back-up Exchange, Nasdaq ISE may determine which Members shall be eligible to trade such options at the Back-up Exchange. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the Member is a PMM or CMM in the applicable product(s), the number of contracts traded by the Member in the applicable product(s), market performance, and other factors relating to a Member's contribution to the market in the applicable product(s).

(b) Nasdaq ISE is Back-up Exchange.

(1) Disabled Exchange Exclusively Listed Options.

(i) Nasdaq ISE may enter into arrangements with one or more other exchanges (each a "Disabled Exchange") to permit the Disabled Exchange and its members to use a portion of Nasdaq ISE's facilities to conduct the trading of some or all of the Disabled Exchange's exclusively listed options in the event of a Disabling Event. Such option classes shall trade as listings of the Disabled Exchange. The facility of Nasdaq ISE used by the Disabled Exchange for this purpose will be deemed to be a facility of the Disabled Exchange.

(ii) Trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at Nasdaq ISE shall be conducted in accordance with Nasdaq ISE rules, except that (A) such trading shall be subject to the Disabled Exchange's rules with respect to doing business with the public, margin requirements, net capital requirements, listing requirements and position limits, and (B) members of the Disabled Exchange that are trading on the Disabled Exchange's facility at Nasdaq ISE (not including Nasdaq ISE Members who become temporary members of the Disabled Exchange pursuant to paragraph (b)(1)(iv)) will be subject to the rules of the Disabled Exchange governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange. In addition, the Disabled Exchange and Nasdaq ISE may agree that other Disabled Exchange rules will apply to such trading. The Disabled Exchange and Nasdaq ISE have agreed to communicate to their members which rules apply in advance of trading.

(iii) Nasdaq ISE will perform the related regulatory functions with respect to trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at Nasdaq ISE, in each case except as the Disabled Exchange and Nasdaq ISE may specifically agree otherwise. Nasdaq ISE and the Disabled Exchange have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at Nasdaq ISE. The Disabled Exchange has agreed



that it shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to the Disabled Exchange's facility at Nasdaq ISE.

(iv) Nasdaq ISE Members shall not be authorized to trade in any exclusively listed options of the Disabled Exchange, except (A) that the Disabled Exchange may deputize willing Nasdaq ISE Electronic Access Members as temporary members of the Disabled Exchange to permit them to execute orders as Electronic Access Members in exclusively listed options of the Disabled Exchange traded on the facility of the Disabled Exchange at Nasdaq ISE, and (B) at the instruction of the Disabled Exchange, Nasdaq ISE shall select Nasdaq ISE Members that are willing to be deputized by the Disabled Exchange as temporary members of the Disabled Exchange authorized to trade the Disabled Exchange's exclusively listed options on the facility of the Disabled Exchange at Nasdaq ISE for such period of time following a Disabling Event as the Disabled Exchange determines to be appropriate, and the Disabled Exchange may deputize such Nasdaq ISE Members as temporary members of the Disabled Exchange for that purpose.

(2) Disabled Exchange Singly Listed Options.

(i) Nasdaq ISE may enter into arrangements with a Disabled Exchange under which Nasdaq ISE will agree, in the event of a Disabling Event, to list for trading singly listed option classes that are then singly listed only by the Disabled Exchange and not by Nasdaq ISE. Any such option classes listed by Nasdaq ISE shall trade on Nasdaq ISE and in accordance with Nasdaq ISE rules. Such option classes shall be traded by Nasdaq ISE Members and by members of the Disabled Exchange selected by the Disabled Exchange to the extent Nasdaq ISE can accommodate members of the Disabled Exchange in the capacity of temporary Members of Nasdaq ISE. Nasdaq ISE may allocate such option classes to a[n] Nasdaq ISE PMM in advance of a Disabling Event, without utilizing the allocation process under Nasdaq ISE Rule 802, to enable Nasdaq ISE to quickly list such option classes upon the occurrence of a Disabling Event.

(ii) Any options class listed by Nasdaq ISE pursuant to paragraph (b)(2)(i) that does not satisfy the listing and maintenance criteria under Nasdaq ISE rules will be subject, upon listing by Nasdaq ISE, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in Nasdaq ISE rules).

(3) Multiply Listed Options.

Nasdaq ISE may enter into arrangements with a Disabled Exchange to permit the Disabled Exchange's members to conduct trading on Nasdaq ISE of some or all of the Disabled Exchange's multiply listed options in the event of a Disabling Event. Such options shall trade as a listing of Nasdaq ISE and in accordance with Nasdaq ISE rules. Such options shall be traded by Nasdaq ISE Members and by members of the Disabled Exchange to the extent Nasdaq ISE can accommodate members of the Disabled Exchange in the capacity of temporary Members of Nasdaq ISE.

(c) *Member Obligations.*

(1) Temporary Members of the Disabled Exchange

(i) A[n] Nasdaq ISE Member acting in the capacity of a temporary member of the Disabled Exchange pursuant to paragraph (b)(1)(iv) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Disabled Exchange at Nasdaq ISE, including the rules of the Disabled Exchange to the extent applicable during the period of such trading. Additionally, (A) such Nasdaq ISE Member shall be deemed to have satisfied, and the Disabled Exchange has agreed to waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange, including all dues, fees and charges imposed generally upon members of the Disabled Exchange based on their status as such, (B) such Nasdaq ISE Member shall have none of the rights of a member of the Disabled Exchange except the right to conduct business on the facility of the Disabled Exchange at Nasdaq ISE to the extent described in this Rule, (C) the Nasdaq ISE Member shall be responsible for all obligations arising out of its activities on or relating to the Disabled Exchange, and (D) the Clearing Member of such Nasdaq ISE Member shall guarantee and clear the transactions of such Nasdaq ISE Member on the Disabled Exchange.

(ii) A member of a Back-up Exchange acting in the capacity of a temporary Member of Nasdaq ISE pursuant to paragraph (a)(1)(vi) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of Nasdaq ISE at the Back-up Exchange, including Nasdaq ISE rules to the extent applicable during the period of such trading. Additionally, (A) such temporary Member shall be deemed to have satisfied, and Nasdaq ISE will waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a Member of Nasdaq ISE, including all dues, fees and charges imposed generally upon Nasdaq ISE Members based on their status as such, (B) such temporary Member shall have none of the rights of a Nasdaq ISE Member except the right to conduct business on the facility of Nasdaq ISE at the Back-up Exchange to the extent described in this Rule,

(C) the member organization associated with such temporary Member, if any, shall be responsible for all obligations arising out of that temporary Member's activities on or relating to Nasdaq ISE, and (D) the Clearing Member of such temporary Member shall guarantee and clear the transactions on Nasdaq ISE of such temporary Member.

(2) Temporary Members of the Back-up Exchange

(i) A Nasdaq ISE Member acting in the capacity of a temporary member of the Back-up Exchange pursuant to paragraphs (a)(2)(ii) or (a)(3) shall be subject to, and obligated to comply with, the rules of the Back-up Exchange that are applicable to the Back-up Exchange's own members. Additionally, (A) such Nasdaq ISE Member shall be deemed to have satisfied, and the Back-up Exchange has agreed to waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Back-up Exchange, including all dues, fees and charges imposed generally upon members of the Back-up Exchange based on their status as such, (B) such Nasdaq ISE Member shall have none of the rights of a member of the Back-up Exchange except the right to conduct business on the Back-up Exchange to the extent described in this Rule, (C) the Nasdaq ISE Member shall be responsible for all obligations arising out of its activities on or relating to the Back-up Exchange, (D) the Clearing Member of such Nasdaq ISE Member shall guarantee and clear the transactions of such Nasdaq ISE Member on the Back-up Exchange, and (E) such Nasdaq ISE Member shall only be permitted (x) to act in those capacities on the Back-up Exchange that are authorized by the Back-up Exchange and that are comparable to capacities in which the Nasdaq ISE Member has been authorized to act on Nasdaq ISE, and (y) to trade in those option classes in which the Nasdaq ISE Member is authorized to trade on Nasdaq ISE.

(ii) A member of a Disabled Exchange acting in the capacity of a temporary Member of Nasdaq ISE pursuant to paragraphs (b)(2)(i) or (b)(3) shall be subject to, and obligated to comply with, Nasdaq ISE rules that are applicable to Nasdaq ISE's own Members. Additionally, (A) such temporary Member shall be deemed to have satisfied, and Nasdaq ISE will waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a Member of Nasdaq ISE, including all dues, fees and charges imposed generally upon Nasdaq ISE Members based on their status as such, (B) such temporary Member shall have none of the rights of a Nasdaq ISE Member except the right to conduct business on Nasdaq ISE to the extent described in this Rule, (C) the member organization associated with such temporary Member, if any, shall be responsible for all obligations arising out of that temporary Member's activities on or relating to Nasdaq ISE, (D) the Clearing Member of such temporary Member shall guarantee and clear the

transactions of such temporary Member on the Nasdaq ISE, and (E) such temporary Member shall only be permitted (x) to act in those Nasdaq ISE capacities that are authorized by Nasdaq ISE and that are comparable to capacities in which the temporary Member has been authorized to act on the Disabled Exchange, and (y) to trade in those option classes in which the temporary Member is authorized to trade on the Disabled Exchange.

*(d) Member Proceedings.*

(1) If Nasdaq ISE initiates an enforcement proceeding with respect to the trading during a back-up period of the singly or multiply listed options of the Disabled Exchange by a temporary Member of Nasdaq ISE or the exclusively listed options of the Disabled Exchange by a member of the Disabled Exchange (other than a Nasdaq ISE Member who is a temporary member of the Disabled Exchange), and such proceeding is in process upon the conclusion of the back-up period, Nasdaq ISE may transfer responsibility for such proceeding to the Disabled Exchange following the conclusion of the back-up period. Arbitration of any disputes with respect to any trading during a back-up period of singly or multiply listed options of the Disabled Exchange or of exclusively listed options of the Disabled Exchange on the Disabled Exchange's facility at Nasdaq ISE will be conducted in accordance with Nasdaq ISE rules, unless the parties to an arbitration agree that it shall be conducted in accordance with the rules of the Disabled Exchange.

(2) If the Back-up Exchange initiates an enforcement proceeding with respect to the trading during a back-up period of Nasdaq ISE singly or multiply listed options by a temporary member of the Back-up Exchange or Nasdaq ISE exclusively listed options by a Nasdaq ISE Member (other than a member of the Back-up Exchange who is a temporary Member of Nasdaq ISE), and such proceeding is in process upon the conclusion of the back-up period, the Back-up Exchange may transfer responsibility for such proceeding to Nasdaq ISE following the conclusion of the back-up period. Arbitration of any disputes with respect to any trading during a back-up period of Nasdaq ISE singly or multiply listed options on the Back-up Exchange or of Nasdaq ISE exclusively listed options on the facility of Nasdaq ISE at the Back-up Exchange will be conducted in accordance with the rules of the Back-up Exchange, unless the parties to an arbitration agree that it shall be conducted in accordance with Nasdaq ISE rules.

*(e) Member Preparations.*

Nasdaq ISE Members are required to take appropriate actions as instructed by Nasdaq ISE to accommodate Nasdaq ISE's back-up trading arrangements with other exchanges and Nasdaq ISE's own back-up trading arrangements.

.01 This Rule 508 reflects back-up trading arrangements that Nasdaq ISE has entered into or may enter into with one or more other exchanges. To the extent that this Rule provides that another exchange will take certain action, the Rule is reflecting what that exchange has agreed to do by contractual agreement with Nasdaq ISE, but the Rule itself is not binding upon the other exchange.

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## CHAPTER 6

### Doing Business With the Public

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#### **Rule 602. Registration of Representatives**

(a) – (b) No change.

(c) In connection with their registration, Representatives shall electronically file a Form U4 through Web CRD by appropriately checking the Nasdaq ISE as a requested registration on the electronic U4 filing, and shall successfully complete an examination for the purpose of demonstrating an adequate knowledge of the securities business, and shall further agree in the U4 filing to abide by the Constitution and Rules of the Exchange and the Rules of the Clearing Corporation. Any person required to complete Form U4 shall promptly electronically file any required amendments to Form U4 through Web CRD.

(d) No change.

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## CHAPTER 7

### Doing Business On The Exchange

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#### **Rule 706. Access to and Conduct on the Exchange**

(a) – (b) No change.

#### ***Supplementary Material to Rule 706***

.01 (a) No change.

.01 (b) Sponsored Customers. A Sponsored Customer may obtain authorized access to the Exchange only if such access is authorized in advance by one or more Sponsoring Members as follows:

(1) No change.

(2) For a Sponsored Customer to obtain and maintain authorized access to the Exchange, a Sponsored Customer and its Sponsoring Member must agree in writing to the following sponsorship provisions:

(i) – (ii) No change.

(iii) Sponsoring Member shall comply with the Exchange's Certificate of Formation, Constitution, Rules and procedures with regard to the Exchange and Sponsored Customer shall comply with Exchange's Certificate of Formation, Constitution, Rules and procedures with regard to the Exchange, as if Sponsored Customer were a[n] Nasdaq ISE Member.

(iv) – (ix) No change.

(3) No change.

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#### **Rule 710. Minimum Trading Increments**

(a) – (c) No change.

#### ***Supplementary Material to Rule 710***

.01 - .02 No change.

.03 Notwithstanding any other provision of this Rule 710, the minimum trading increment for Mini Options shall be determined in accordance with Supplementary Material .13(d) to Nasdaq ISE Rule 504.

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#### **Rule 714. Automatic Execution of Orders**

(a) – (c) No change.

(d) Market Wide Risk Protection. All members must provide parameters for the order entry and execution rate protections described in this Rule 714(d). The Exchange will also establish default values for each of these parameters that apply to members that

do not submit the required parameters, and will announce these default values in a circular to be distributed to members. The System will maintain one or more counting programs for each member that count orders entered and contracts traded on Nasdaq ISE or across both Nasdaq ISE and [ISE Gemini]Nasdaq GEMX. Members can use multiple counting programs to separate risk protections for different groups established within the member. The counting programs will maintain separate counts, over rolling time periods specified by the member for each count, of: (1) the total number of orders entered in the regular order book; (2) the total number of orders entered in the complex order book with only options legs; (3) the total number of orders entered in the complex order book with both stock and options legs; (4) the total number of contracts traded in regular orders; and (5) the total number of contracts traded in complex orders with only options legs. The minimum and maximum duration of the applicable time period will be established by the Exchange and announced via circular.

(1) If, during the applicable time period, the member exceeds thresholds that it has set for any of the order entry or execution counts described above on Nasdaq ISE, or across both Nasdaq ISE and [ISE Gemini]Nasdaq GEMX, in either case as set by the member, the System will automatically reject all subsequent incoming orders entered by the member on Nasdaq ISE or, if applicable, across both Nasdaq ISE and [ISE Gemini]Nasdaq GEMX, including both regular and complex orders.

(2) Members may also choose to have the System automatically cancel all of their existing orders on Nasdaq ISE, or across both Nasdaq ISE and [ISE Gemini]Nasdaq GEMX, in either case as set by the member, when the Market Wide Risk Protection is triggered.

(3) No change.

#### **Rule 715. Types of Orders**

(a) – (c) No change.

(d) *Stop Orders*. A stop order is an order that becomes a market order when the stop price is elected. A stop order to buy is elected when the option is bid or trades on the Nasdaq ISE at, or above, the specified stop price. A stop order to sell is elected when the option is offered or trades on the Nasdaq ISE at, or below, the specified stop price.

(e) *Stop Limit Orders*. A stop limit order is an order that becomes a limit order when the stop price is elected. A stop limit order to buy is elected when the option is bid or trades on the Nasdaq ISE at, or above, the specified stop price. A stop limit order to sell becomes a sell limit order when the option is offered or trades on the Nasdaq ISE at, or below, the specified stop price.

(f) – (t) No change.

***Supplementary Material to Rule 715***

No change.

**Rule 716. Block Trades**

(a) – (d) No change.

(e) *Solicited Order Mechanism.* The Solicited Order Mechanism is a process by which an Electronic Access Member can attempt to execute orders of 500 or more contracts it represents as agent (the “Agency Order”) against contra orders that it solicited. Each order entered into the Solicited Order Mechanism shall be designated as all-or-none.

(1) No change

(2) At the end of the period given Members to enter Responses, the Agency Order will be automatically executed in full or cancelled.

(i) If at the time of execution there is insufficient size to execute the entire Agency Order at an improved price (or prices), the Agency Order will be executed against the solicited order at the proposed execution price so long as, at the time of execution: (A) the execution price is equal to or better than the best bid or offer on the Nasdaq ISE, and (B) there are no Priority Customer Orders on the Exchange that are priced equal to the proposed execution price. If there are Priority Customer Orders on the Exchange on the opposite side of the Agency Order at the proposed execution price and there is sufficient size to execute the entire size of the Agency Order, the Agency Order will be executed against the bid or offer, and the solicited order will be cancelled. The aggregate size of all orders, quotes and Responses at the bid or offer will be used to determine whether the entire Agency Order can be executed. Both the solicited order and Agency Order will be cancelled if an execution would take place at a price that is inferior to the best bid or offer on the Nasdaq ISE, or if there is a Priority Customer on the book at the proposed execution price but there is insufficient size on the Exchange to execute the entire Agency Order.

(ii) – (iii) No change.

(3) Prior to entering Agency Orders into the Solicited Order Mechanism on behalf of a customer, EAMs must deliver to the customer a written notification informing the customer that its order may be executed using the Nasdaq ISE’s Solicited Order Mechanism. Such written notification must disclose the terms and conditions contained in this Rule and must be in a form approved by the Exchange.



***Supplementary Material to Rule 716***

.01 - .04 No change.

.05 Under paragraph (e) above, Members may enter contra orders that are solicited. The Solicited Order Mechanism provides a facility for Members that locate liquidity for their customer orders. Members may not use the Solicited Order Mechanism to circumvent Exchange Rule 717(d) limiting principal transactions. This may include, but is not limited to, Members entering contra orders that are solicited from (1) affiliated broker-dealers, or (2) broker-dealers with which the Member has an arrangement that allows the Member to realize similar economic benefits from the solicited transaction as it would achieve by executing the customer order in whole or in part as principal. Additionally, any solicited contra orders entered by Members to trade against Agency Orders may not be for the account of a[n] Nasdaq ISE market maker that is assigned to the options class.

.06 - .09 No change.

**Rule 717. Limitations on Orders**

(a) – (f) No change.

(g) Orders for the Account of Another Member.

Electronic Access Members shall not cause the entry of orders for the account of a[n] Nasdaq ISE market maker that is exempt from the provisions of Regulation T of the Board of Governors of the Federal Reserve System pursuant to Section 7(c)(2) of the Exchange Act unless such orders are identified as orders for the account of a[n] Nasdaq ISE market maker in the manner prescribed by the Exchange.

***Supplementary Material to Rule 717***

No change.

\* \* \* \* \*

**Rule 722. Complex Orders**

(a) No change.

(b) *Applicability of Exchange Rules.* Except as otherwise provided in this Rule, complex orders shall be subject to all other Exchange Rules that pertain to orders generally.

(1) – (2) No change.

(3) *Execution of Orders*. Complex orders will be executed without consideration of any prices that might be available on other exchanges trading the same options contracts.

(i) Complex orders will be automatically executed against bids and offers on the complex order book in price priority. The Exchange may designate on a class basis whether bids and offers at the same price on the complex order book will be executed:

(A) No change.

(B) pursuant to Nasdaq ISE Rule 713(e) and Supplementary Material .01(a) to Nasdaq ISE Rule 713 except that there shall be no participation rights for the Primary Market Maker as provided in Supplementary Material to Rule 713, paragraph .01(b) and (c); or

(C) No change.

(ii) – (iii) No change.

(4) No change.

***Supplementary Material to Rule 722***

.01 - .07 No change.

**Rule 723. Price Improvement Mechanism for Crossing Transactions**

(a) No change.

(b) *Crossing Transaction Entry*. A Crossing Transaction is comprised of the order the Electronic Access Member represents as agent (the “Agency Order”) and a counter-side order for the full size of the Agency Order (the “Counter-Side Order”). The Counter-Side Order may represent interest for the Member’s own account, or interest the Member has solicited from one or more other parties, or a combination of both.

For the period beginning January 19, 2017 until a date specified by the Exchange in a Regulatory Information Circular, which date shall be no later than July 15, 2017, the following provisions shall be in effect:

(1) If the Agency Order is for less than 50 option contracts, and if the difference between the National Best Bid and National Best Offer (“NBBO”) is \$0.01, the Electronic Access Member shall not enter a Crossing Transaction unless such Crossing Transaction is entered at one minimum price improvement

increment better than the NBBO on the opposite side of the market from the Agency Order and better than the limit order or quote on the Nasdaq ISE order book on the same side of the Agency Order. Failure to provide such price improvement will subject the Electronic Access Member to the fines set forth in Rule 1614(d)(4).

(2) If the Agency Order is for 50 option contracts or more, or if the difference between the NBBO is greater than \$0.01, a Crossing Transaction must be entered only at a price that is equal to or better than the NBBO and better than the limit order or quote on the Nasdaq ISE orderbook on the same side of the Agency Order.

(3) – (4) No change.

After the date specified by the Exchange in a Regulatory Information Circular, which date shall be no later than July 15, 2017, the following provisions shall be in effect:

(1) If the Agency Order is for less than 50 option contracts, and if the difference between the National Best Bid and National Best Offer (“NBBO”) is \$0.01, the Crossing Transaction must be entered at one minimum price improvement increment better than the NBBO on the opposite side of the market from the Agency Order and better than the limit order or quote on the Nasdaq ISE order book on the same side of the Agency Order.

(2) If the Agency Order is for 50 option contracts or more, or if the difference between the NBBO is greater than \$0.01, a Crossing Transaction must be entered only at a price that is equal to or better than the national best bid or offer (“NBBO”) and better than the limit order or quote on the Nasdaq ISE order book on the same side of the Agency Order.

(3) – (4) No change.

(c) Exposure Period. Upon entry of a Crossing Transaction into the Price Improvement Mechanism, a broadcast message that includes the series, price and size of the Agency Order, and whether it is to buy or sell, will be sent to all Members. This broadcast message will not be included in the Nasdaq ISE disseminated best bid or offer and will not be disseminated through OPRA.

(1) – (5) No change.

(d) No change.

***Supplementary Material to Rule 723***

.01 - .05 No change.

.06 Any solicited Counter-Side Orders submitted by an Electronic Access Member to trade against Agency Orders may not be for the account of a[n] Nasdaq ISE market maker assigned to the options class.

.07 - .08 No change.

.09 Complex Orders. Electronic Access Members may use the Price Improvement Mechanism to execute complex orders (as defined in Rule 722) at a net price. Members may enter Improvement Orders for complex orders at net prices, and bids and offers for complex orders will participate in the execution of an order being executed as provided in this Rule 723. With respect to bids and offers for the individual legs of a complex order entered into the Price Improvement Mechanism, the priority rules for complex orders contained in Rule 722(b)(2) will continue to be applicable. If an improved net price for the complex order being executed can be achieved from bids and offers for the individual legs of the complex order in the Exchange's auction market, the order being executed will receive an execution at the better net price, except that for complex orders listed in Rule 722(b)(3)(ii)(A) and (B), if an improved net price for such complex orders being executed can be achieved from bids and offers for the individual legs of the complex order, the auction will be cancelled at the end of the exposure period. Complex orders must be entered at a price that is better than the best net price (i) available on the complex order book; and (ii) achievable from the best Nasdaq ISE bids and offers for the individual legs (an “improved net price”). Supplementary Material .08 is not applicable to the entry of complex orders; complex orders will be rejected unless they are entered at an improved net price. All references to the NBBO in Rule 723 and the Supplementary Material thereto are inapplicable. The provisions of Rule 723(c)(5) will apply with respect to receipt of orders for the same complex order, and not to the receipt of orders for the individual legs of the complex order.

.10 No change.

\* \* \* \* \*

## CHAPTER 8

### Market Makers

\* \* \* \* \*

#### **Rule 804. Market Maker Quotations**

(a) – (f) No change.

(g) *Automated Quotation Adjustments.*

(1) No change.

(2) A market maker must provide a market wide parameter by which the Exchange will automatically remove a market maker's quotes in all classes when, during a time period established by the market maker, the total number of quote removal events specified in Rule 804(g)(1) and in Supplementary Material .04 to Rule 722 exceeds the market wide parameter provided to the Exchange by the market maker. Market makers may request the Exchange to set the market wide parameter to apply to just Nasdaq ISE or across Nasdaq ISE and [ISE Gemini]Nasdaq GEMX.

(h) No change.

***Supplementary Material [T]to Rule 804***

.01 No change.

.02 The obligation contained in paragraph (e)(2)(iii) of Rule 804 does not include adjusted option series, nor series with a time to expiration of nine (9) months or greater for options on equities and exchange-traded funds or with a time to expiration of twelve (12) months or greater for index options. Competitive Market Makers may choose to quote such series in addition to regular series in the options class, but such quotations will not be considered when determining whether a Competitive Market Maker has met the obligation contained in paragraph (e)(2)(iii). A CMM that chooses to quote adjusted series and/or long-term options must meet all of the quoting obligations applicable to CMMs generally, and may be preferenced in such series and receive enhanced allocations pursuant to Nasdaq ISE Rule 713, Supplementary Material .03, only if it complies with the heightened 90% quoting requirement contained in Rule 804(e)(2)(iii). For purposes of Rule 804, an adjusted options series is an options series wherein, as a result of a corporate action by the issuer of the underlying security, one option contract in the series represents the delivery of other than 100 shares of underlying stock or exchange-traded fund shares

\* \* \* \* \*

**Rule 811. Directed Orders**

Directed Orders functionality will not be available as of February 24, 2017. The Exchange will recommence Directed Orders functionality on Nasdaq ISE within one year from the date of the filing of SR-ISE-2017-15 to be announced in a separate notice.

(a) – (d) No change.

(e) Except as provided in this paragraph (e), when a Directed Order is released, the System processes the order in the same manner as any other order received by the Exchange. Directed Orders will not be automatically executed at a price that is inferior to the NBBO and, except as provided in subparagraph (e)(3), will be handled pursuant to

Supplementary Material .02 and .03 to Rule 1901 when the Nasdaq ISE best bid or offer is inferior to the NBBO.

(1) – (2) No change.

(3) If, at the time a Directed Order is released by the Directed Market Maker, the Directed Order is marketable but the Nasdaq ISE best bid or offer is inferior to the NBBO, and the Directed Market Maker is the Primary Market Maker in the option class for the Directed Order, then a broadcast message shall be sent to all Members displaying the Directed Order. After one (1) second, the Directed Order will be executed against any contra interest at the NBBO price or better according to Rule 713, except that the Directed Market Maker will be last in priority. Thereafter, if there is any remaining unexecuted quantity of the Directed Order, it will be handed according to Supplementary Material .02 and .03 to Rule 1901.

\* \* \* \* \*

## CHAPTER 12

### Margins

\* \* \* \* \*

#### Rule 1202. Margin Requirements

(a) – (d) No change.

(e) The margin requirement for any put or call option on a Foreign Currency Index, as defined in Nasdaq ISE Rule 2001(h), listed and traded on the Exchange and issued by a registered clearing corporation shall be identical to the highest margin required for a component foreign currency as determined in accordance with Rule 1202(d).

\* \* \* \* \*

## CHAPTER 19

### Order Protection; Locked and Crossed Markets

\* \* \* \* \*

#### Rule 1901. Order Protection

*This rule applies to symbols that have been migrated to the Nasdaq INET platform. The symbol-by-symbol migration for [ISE Gemini]Nasdaq GEMX began on*

*February 27, 2017 (for more information, see the [ISE Gemini]Nasdaq GEMX Detailed Symbol Migration Schedule). The symbol-by-symbol migrations for Nasdaq ISE and [ISE Mercury]Nasdaq MRX will begin in Q2 2017 and Q3 2017, respectively (the actual dates will be announced in a notice to members). To view the version of this rule which applies to symbols that have not been migrated, see the previous version of this rule.*

**The amended rule text will be implemented on a symbol by symbol basis for [ISE Gemini]Nasdaq GEMX, LLC in Q1 2017, for Nasdaq ISE in Q2 2017 and for [ISE Mercury]Nasdaq MRX, LLC in Q3 2017, the specific dates will be announced in a separate notice.**

(a) – (b) No change.

### ***Supplementary Material to Rule 1901***

.01 No change.

.02 When the automatic execution of an incoming order would result in an impermissible Trade Through, such order shall be exposed at the current NBBO to all Exchange Members for a time period established by the Exchange not to exceed one (1) second. During the exposure period, Exchange Members may enter responses up to the size of the order being exposed in the regular trading increment applicable to the option. If a trading halt is initiated during the exposure period, the exposure period will be terminated without execution.

(a) If at the end of the exposure period, the order is executable at the then-current NBBO and the Nasdaq ISE is not at the then-current NBBO, responses that equal or better the NBBO will be executed in price priority, and at the same price, allocated pro-rata based on size (i.e., the percentage of the total number of contracts available at the same price that is represented by the size of a Member's response).

(b) If during the exposure period, the order becomes executable on the Nasdaq ISE at the prevailing NBBO, the exposure period will be terminated, and the order will be executed against orders and quotes on the book and responses received during the exposure period. Such interest will be executed in price priority. At the same price, Priority Customer Orders will be executed first in time priority and then all other interest (orders, quotes and responses) will be allocated pro-rata based on size.

(c) No change.

(d) If after an order is exposed, the order cannot be executed in full on the Exchange at the then-current NBBO or better, and it is marketable, the lesser of

the full displayed size of the Protected Bid(s) or Protected Offer(s) that are priced better than the Nasdaq ISE's quote or the balance of the order will be sent to NES (as defined in Rule 1903) and any additional balance of the order will be executed on the Nasdaq ISE if it is marketable. Any additional balance of the order that is not marketable against the then-current NBBO will be placed on the Nasdaq ISE book.

(e) If after a an order that is marked "do-not-route" is exposed, the order cannot be executed in full on the Exchange at the then-current NBBO or better (i) the balance of the order will be placed on the Nasdaq ISE book if it is not marketable against the then-current NBBO, or (ii) the balance of the order will be canceled.

(f) No change.

.03 No change.

.04 Non-Customer Order(s), as defined in Rule 100(a)(28), may opt out of being processed in accordance with Supplementary Material .02 of this Rule 1901. Such order(s) will be processed as follows:

(a) When the automatic execution of an incoming Non-Customer Order would result in an impermissible Trade Through, and it is marketable, the lesser of the full displayed size of the Protected Bid(s) or Protected Offer(s) that are priced better than the Nasdaq ISE's quote or the balance of the order will be sent to NES (as defined in Rule 1903) and any additional balance of the order will be executed on the Nasdaq ISE if it is marketable. Any additional balance of the order that is not marketable against the then-current NBBO will be placed on the Nasdaq ISE book.

(b) If an order is marked "do-not-route" and the order cannot be executed in full on the Exchange at the then current NBBO or better (i) the balance of the order will be placed on the Nasdaq ISE book if it is not marketable against the then current NBBO, or (ii) the balance of the order will be cancelled.

.05 Sweep Order(s), as defined in Rule 715(s), will not be processed in accordance with Supplementary Material .02 of this Rule 1901. Such order(s) will be processed as follows:

(a) When the automatic execution of an incoming Sweep Order would result in an impermissible Trade Through, and it is marketable, the lesser of the full displayed size of the Protected Bid(s) or Protected Offer(s) that are priced better than the Nasdaq ISE's quote or the balance of the order will be sent to NES and any additional balance of the order will be executed on the Nasdaq ISE if it is marketable. Any portion of the order not executed shall be canceled.



(b) No change.

.06 - .07 No change.

\* \* \* \* \*

## CHAPTER 20

### Index Rules

\* \* \* \* \*

#### Rule 2001. Definitions

(a) – (g) No change.

(h) The term “Foreign Currency Index” means an index designed to track the performance of a basket of currencies, as provided in the table in Nasdaq ISE Rule 2005A.

(i) – (p) No change.

#### *Supplementary Material to Rule 2001*

.01 The reporting authorities designated by the Exchange in respect of each index underlying an index options contract traded on the Exchange are as provided in the chart below.

<b>Underlying Index</b>	<b>Reporting Authority</b>
S&P SmallCap 600 Index	Standard & Poor’s
Morgan Stanley Technology Index	American Stock Exchange
S&P MidCap 400 Index	Standard & Poor’s
S&P 1000 Index	Standard & Poor’s
Nasdaq 100 Index	The Nasdaq Stock Market
Russell 3000 Index	Frank Russell Company
Russell 3000 Value Index	Frank Russell Company
Russell 3000 Growth Index	Frank Russell Company
Russell 2500 Index	Frank Russell Company
Russell 2500 Value Index	Frank Russell Company
Russell 2500 Growth Index	Frank Russell Company
Russell 2000 Index	Frank Russell Company
Russell 2000 Value Index	Frank Russell Company
Russell 2000 Growth Index	Frank Russell Company
Russell 1000 Index	Frank Russell Company
Russell 1000 Value Index	Frank Russell Company
Russell 1000 Growth Index	Frank Russell Company

Russell Top 200 Index	Frank Russell Company
Russell Top 200 Value Index	Frank Russell Company
Russell Top 200 Growth Index	Frank Russell Company
Russell MidCap Index	Frank Russell Company
Russell MidCap Value Index	Frank Russell Company
Russell MidCap Growth Index	Frank Russell Company
Russell Small Cap Completeness Index	Frank Russell Company
Russell Small Cap Completeness Value Index	Frank Russell Company
Russell Small Cap Completeness Growth Index	Frank Russell Company
NYSE U.S. 100 Index	New York Stock Exchange and Dow Jones & Company
NYSE International 100 Index	New York Stock Exchange and Dow Jones & Company
NYSE World Leaders Index	New York Stock Exchange and Dow Jones & Company
NYSE TMT Index	New York Stock Exchange and Dow Jones & Company
ISE-CCM Homeland Security Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE Oil & Gas Services Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE Semiconductors Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE Gold Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE Homebuilders Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE 250 Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a> and Standard & Poor's
ISE 100 Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a> and Standard & Poor's
ISE 50 Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a> and Standard & Poor's
ISE U.S. Regional Banks Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE SIndex	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE Bio-Pharmaceuticals Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE Water Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE-CCM Alternative Energy Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
ISE-CCM Nanotechnology Index	[International Securities Exchange, Inc.] <a href="#">Nasdaq ISE</a>
FTSE 100 Index	FTSE International Limited
FTSE 250 Index	FTSE International Limited
ISE-Revere Natural Gas Index	[International Securities Exchange] <a href="#">Nasdaq ISE</a>
KBW Bank Index	Keefe, Bruyette & Woods, Inc.
ISE Integrated Oil and Gas Index	[International Securities Exchange] <a href="#">Nasdaq ISE</a>
ISE-Revere Wal-Mart Supplier Index	[International Securities Exchange] <a href="#">Nasdaq ISE</a>
KBW Mortgage Finance Index	Keefe, Bruyette & Woods, Inc.
ISE Electronic Trading Index	[International Securities Exchange] <a href="#">Nasdaq ISE</a>
NASDAQ Q-50 Index	The Nasdaq Stock Market
Morgan Stanley Retail Index	Morgan Stanley & Co. Incorporated
DAX Index	Deutsche Börse AG
Dow Jones FXCM Dollar Index	S&P Dow Jones Indices
Nations VolDex Index	[International Securities Exchange] <a href="#">Nasdaq ISE</a>

\* \* \* \* \*

**Rule 2013. Market Maker Trading License**

(a) – (d) No change.

(e) IXPMM.

(1) – (3) No change.

(4) The Exchange will measure market quality commitments on a quarterly basis to ensure IXPMMs are in compliance with their stated commitments. Failure to meet stated commitments may, at the discretion of the Exchange and subject to the procedural protections provided under the rules of the Exchange, result in Nasdaq ISE terminating an allocation and conducting an auction to reallocate the failing IXPMM's Eligible Index Option to another Member. The IXPMM may only change its market quality commitment to the extent that the new commitments are an improvement to its existing commitment.

(5) – (7) No change.

(f) No change.

\* \* \* \* \*

**Rule 2123. Investment Company Unit**

The Exchange will consider for listing and/or trading, whether pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise, units of trading ("Units" or "Investment Company Units") that meet the criteria of this paragraph. Investment Company Units traded on an unlisted trading privileges basis must comply with paragraph (c)(3), (c)(5), (f), (g), (h), (i) and (l) of this Rule 2123. A Unit is a security that represents an interest in a registered investment company ("Investment Company") that could be organized as a unit investment trust, an open-end management investment company, or a similar entity.

(a)– (g) No change.

(h) No change.

(i) *Provision of Prospectus and Written Description.*

(1) This paragraph shall apply only to a series of Investment Company Units as to which the sponsor or other appropriate party has obtained an exemption from Section 24(d) of the Investment Company Act. In connection with any such series of Investment Company Units listed on the Exchange, Equity EAMs must provide to all purchasers of such series a written description of the terms and characteristics of such securities, in

a form prepared or approved by the Exchange, not later than the time a confirmation of the first transaction in such security is delivered to such purchaser. In addition, Equity EAMs must include such a written description with any sales material relating to such series that is provided to customers or the public. Any other written materials provided by an Equity EAM to customers or the public making specific reference to such a series of Investment Company Units as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Investment Company Units] has been prepared by [Trust name] and is available from your broker or the Nasdaq ISE. It is recommended that you obtain and review such circular before purchasing [the series of Investment Company Units]. In addition, upon request you may obtain from your broker a prospectus for [the series of Investment Company Units]."

(2) and (3) No change.

(j) – (n) No change.

\* \* \* \* \*

### **2133. Index-Linked Exchangeable Notes**

Index-linked exchangeable notes which are exchangeable debt securities that are exchangeable at the option of the holder (subject to the requirement that the holder in most circumstances exchange a specified minimum amount of notes), on call by the issuer or at maturity for a cash amount (the "Cash Value Amount") based on the reported market prices of the underlying stocks of an underlying index will be considered for listing and trading by the Exchange pursuant to Rule 19b-4(e) under the Exchange Act, provided:

(a) – (f)

(g) Provisions of Nasdaq ISE Rule 2123(c)(4) shall apply to index-linked exchangeable notes.

(h) No change.

\* \* \* \* \*

## **CHAPTER 22**

### **Rate-Modified Foreign Currency Options Rules**

\* \* \* \* \*

#### **Rule 2213. Market Maker Trading Licenses**

(a) A trading license issued by the Exchange is required to effect transactions as a market maker in foreign currency options and in foreign currency index options (as defined in Nasdaq ISE Rule 2001(h)) on the Exchange. A Member may acquire and hold a trading license only if and for so long as such Member is qualified and approved to be a Member of the Exchange. A trading license is not transferable and may not be, in whole or in part, transferred, assigned, sublicensed or leased; provided, however, that the holder of the trading license may, with the prior written consent of the Exchange, transfer a trading license to a qualified and approved Member (i) which is an affiliate or (ii) which continues substantially the same business of such trading license holder without regard to the form of the transaction used to achieve such continuation, e.g., merger, sale of substantially all assets, reincorporation, reorganization or the like.

(b) – (e) No change.

(f) (i) FXPMM (for trading licenses sold prior to January 1, 2009).

(1) – (3) No change.

(4) Nasdaq ISE will measure market quality commitments on a quarterly basis to ensure FXPMMs are in compliance with their stated commitments. Continuous failure to meet stated commitments will result in Nasdaq ISE terminating an allocation and conducting an auction to reallocate the failing FXPMM's currency pair to another FXPMM.

(5) On each One-Year Anniversary of a FXPMM's term, the FXPMM shall have the right to either: 1) continue its obligations as a FXPMM without any change to the Trading License Price or market quality commitments that were previously agreed to and accepted by Nasdaq ISE. The FXPMM may only change its market quality commitments to the extent that the new commitments are an improvement, or 2) terminate its obligations as a FXPMM. A FXPMM must notify the Exchange in writing of its decision to terminate its obligations sixty (60) days prior to the next anniversary of its term. For the purposes of this Rule 2213(f)(i), a One-Year Anniversary shall always occur on December 31<sup>st</sup> of a calendar year.

(6) – (8) No change.

(ii) FXPMM (for trading licenses sold on or after January 1, 2009).

(1) – (3) No change.

(4) Nasdaq ISE will measure market quality commitments on a quarterly basis to ensure FXPMMs are in compliance with their stated commitments. Continuous failure to meet stated commitments will result in ISE terminating an allocation and conducting an auction to reallocate the failing FXPMM's currency pair and/or FX index option to another FXPMM.

(5) No change.

(g) No change.

\* \* \* \* \*



## **Nasdaq ISE**

### **Schedule of Fees**

*Last Updated March 1, 2017*

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## PREFACE

All fee disputes concerning fees which are billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All fee disputes must be submitted no later than sixty (60) calendar days after receipt of a billing invoice.

For purposes of assessing fees, the following references should serve as guidance. Fees and rebates are listed per contract per leg unless otherwise noted.

A “**Priority Customer**” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq ISE Rule 100(a)(37A). Unless otherwise noted, when used in this Schedule of Fees the term “Priority Customer” includes “Retail” as defined below.

A “**Professional Customer**” is a person or entity that is not a broker/dealer and is not a Priority Customer.

A “**Non-Nasdaq ISE Market Maker**” is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

A “**Firm Proprietary**” order is an order submitted by a member for its own proprietary account.

A “**Broker-Dealer**” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

A “**Retail**” order is a Priority Customer order that originates from a natural person, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A “**Flash Order**” is an order that is exposed at the National Best Bid or Offer by the Exchange to all members for execution, as provided under Supplementary Material .02 to Nasdaq ISE Rule 1901.

A “**Regular Order**” is an order that consists of only a single option series and is not submitted with a stock leg.

A “**Complex Order**” is any order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, as provided in Nasdaq ISE Rule 722, as well as Stock-Option Orders and SSF-Option Orders.

A “**Crossing Order**” is an order executed in the Exchange’s Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism (PIM) or submitted as a Qualified Contingent Cross order. For purposes of this Fee Schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.

“**Responses to Crossing Order**” is any contra-side interest submitted after the commencement of an auction in the Exchange’s Facilitation Mechanism, Solicited Order Mechanism, Block Order Mechanism or PIM.

“**Select Symbols**” are options overlying all symbols listed on the Nasdaq ISE that are in the Penny Pilot Program. The current list of Nasdaq ISE-listed Penny Pilot Program symbols is available at [http://www.ise.com/assets/files/products/pennies/penny\\_stocks.xls](http://www.ise.com/assets/files/products/pennies/penny_stocks.xls).

“**Non-Select Symbols**” are options overlying all symbols excluding Select Symbols.

“**FX Option Symbols**” are options overlying AUM, GBP, EUU and NDO.

“**Early Adopter FX Option Symbols**” are options overlying NZD, PZO, SKA, BRB, AUX, BPX, CDD, EUI, YUK and SFC.

### I. Regular Order Fees and Rebates

Select Symbols							
Market Participant	Maker Rebate / Fee	Taker Fee	Fee for Crossin g Orders <sup>(1)(2)</sup>	Fee for PIM Orders of 100 or Fewer Contracts <sup>(1)(2)(12)(13)</sup>	Fee for Responses to Crossing Orders	PIM Break- up Rebate <sup>(3)</sup>	Facilitati on and Solicitati on Break- up Rebate <sup>(4)</sup>
Tier 1 Market Maker Plus <sup>(5)</sup>	(\$0.15) <sup>(10)</sup>	\$0.44	\$0.20	\$0.05	\$0.50	N/A	N/A
Tier 2 Market Maker Plus <sup>(5)</sup>	(\$0.18) <sup>(10)(14)</sup>	\$0.44	\$0.20	\$0.05	\$0.50	N/A	N/A
Tier 3 Market Maker Plus <sup>(5)</sup>	(\$0.22) <sup>(10)(15)</sup>	\$0.44	\$0.20	\$0.05	\$0.50	N/A	N/A
Market Maker <sup>(8)</sup>	\$0.10 <sup>(11)</sup>	\$0.44	\$0.20	\$0.05	\$0.50	N/A	N/A
Non-Nasdaq ISE Market Maker (FarMM)	\$0.10 <sup>(11)</sup>	\$0.45	\$0.20	\$0.05	\$0.50	(\$0.35)	(\$0.15)
Firm Proprietary / Broker-Dealer	\$0.10	\$0.45	\$0.20	\$0.05	\$0.50	(\$0.35)	(\$0.15)
Professional Customer	\$0.10	\$0.45	\$0.20 <sup>(16)</sup>	\$0.05	\$0.50	(\$0.35)	(\$0.15)
Priority Customer	\$0.00	\$0.40	\$0.00	\$0.00	\$0.50	(\$0.35)	(\$0.15)

<b>Non-Select Symbols</b>					
<b>Market Participant</b>	<b>Fee</b>	<b>Fee for Crossing Orders<sup>(1)(2)</sup></b>	<b>Fee for PIM Orders of 100 or Fewer Contracts<sup>(1)(2)(12)(13)</sup></b>	<b>Fee for Responses to Crossing Orders</b>	<b>PIM Break-up Rebate<sup>(3)</sup></b>
Market Maker	\$0.25 <sup>(6)</sup>	\$0.25 <sup>(6)</sup>	\$0.05	\$0.50	N/A
Market Maker (for orders sent by Electronic Access Members)	\$0.20	\$0.20	\$0.05	\$0.50	N/A
Non-Nasdaq ISE Market Maker (FarMM)	\$0.72	\$0.20	\$0.05	\$0.50	(\$0.15)
Firm Proprietary / Broker-Dealer	\$0.72	\$0.20	\$0.05	\$0.50	(\$0.15)
Professional Customer	\$0.72	\$0.20 <sup>(16)</sup>	\$0.05	\$0.50	(\$0.15)
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.50	(\$0.15)

1. Firm Proprietary and Non-Nasdaq ISE Market Maker contracts traded are subject to the Crossing Fee Cap, as provided in Section IV.H.
2. Fees apply to the originating and contra order.
3. Rebate provided for contracts that are submitted to PIM that do not trade with their contra order. The applicable fee is applied to any contracts for which a rebate is provided.
4. Rebate provided for contracts that are submitted to the Facilitation and Solicited Order Mechanisms that do not trade with their contra order except when those contracts trade against pre-existing orders and quotes on the Exchange's orderbooks. The fee for Crossing Orders is applied to any contracts for which a rebate is provided.
5. A Market Maker Plus is a Market Maker who is on the National Best Bid or National Best Offer a specified percentage of the time for series trading between \$0.03 and \$3.00 (for options whose underlying stock's previous trading day's last sale price

was less than or equal to \$100) and between \$0.10 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium in each of the front two expiration months. The specified percentage is at least 80% but lower than 85% of the time for Tier 1, at least 85% but lower than 95% of the time for Tier 2, and at least 95% of the time for Tier 3. A Market Maker's single best and single worst quoting days each month based on the front two expiration months, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for this rebate, if doing so will qualify a Market Maker for the rebate.

6. Market Maker fees are subject to tier discounts, as provided in Section IV.C.
7. Reserved.
8. This fee applies to Market Maker orders sent to the Exchange by Electronic Access Members.
9. Priority Customer ADV includes all volume in all symbols and order types. All eligible volume from affiliated Members will be aggregated in determining total affiliated Priority Customer ADV, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A. For purposes of determining Priority Customer ADV, any day that the regular order book 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 such calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
10. A \$0.30 per contract fee applies when trading against Priority Customer complex orders that leg into the regular order book. There will be no fee charged or rebate provided when trading against non-Priority Customer complex orders that leg into the regular order book.
11. A \$0.30 per contract fee applies when trading against Priority Customer complex orders that leg into the regular order book. The regular \$0.10 per contract fee applies when trading against non-Priority Customer complex orders that leg into the regular order book.
12. PIM orders of more than 100 contracts will pay the Fee for Crossing Orders.
13. Other than for Priority Customer orders, this fee is \$0.03 per contract for orders executed by Members that have an ADV of 20,000 or more Priority Customer contracts in a given month executed in the PIM. See footnote 9 above. This discounted fee is applied retroactively to all eligible PIM volume in that month once the threshold has been reached.

14. This rebate is \$0.16 per contract in SPY and QQQ, except when trading against complex orders that leg into the regular book under footnote 10 above. A Market Maker that achieves Tier 2 Market Maker Plus in either SPY or QQQ will receive this rebate in both SPY and QQQ.
15. This rebate is \$0.20 per contract in SPY and QQQ, except when trading against complex orders that leg into the regular book under footnote 10 above. A Market Maker that achieves Tier 3 Market Maker Plus in either SPY or QQQ will receive this rebate in both SPY and QQQ.
16. Transaction fees applicable to Professional Customers for an order submitted as a Qualified Contingent Cross order and orders executed in the Exchange's Solicited Order Mechanism will be \$0.10 per contract.

## II. Complex Order Fees and Rebates

### Rebates

Market Participant	Rebate for Select Symbols <sup>(1)</sup>	Rebate for Non-Select Symbols <sup>(1)(4)</sup>	PIM Break-up Rebate for Select Symbols <sup>(2)</sup>	PIM Break-up Rebate for Non-Select Symbols <sup>(2)</sup>	Facilitation and Solicitation Break-up Rebate for Select Symbols <sup>(2)</sup>
Market Maker	N/A	N/A	N/A	N/A	N/A
Non-Nasdaq ISE Market Maker (FarMM)	N/A	N/A	(\$0.35)	(\$0.80)	(\$0.15)
Firm Proprietary / Broker-Dealer	N/A	N/A	(\$0.35)	(\$0.80)	(\$0.15)
Professional Customer	N/A	N/A	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 0-14,999 <sup>(7)(13)</sup>	(\$0.26)	(\$0.40)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 15,000-44,999 <sup>(7)(13)</sup>	(\$0.30)	(\$0.60)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 45,000-59,999 <sup>(7)(13)</sup>	(\$0.36)	(\$0.70)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 60,000-74,999 <sup>(7)(13)</sup>	(\$0.41)	(\$0.75)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 75,000-99,999 <sup>(7)(13)</sup>	(\$0.42)	(\$0.75)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 100,000-124,999 <sup>(7)(13)</sup>	(\$0.44)	(\$0.80)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 125,000-224,999 <sup>(7)(13)</sup>	(\$0.46)	(\$0.81)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 225,000+ <sup>(7)(13)</sup>	(\$0.49)	(\$0.85)	(\$0.35)	(\$0.80)	(\$0.15)

### Maker Fees



<b>Market Participant</b>	<b>Maker Fee for Select Symbols</b>	<b>Maker Fee for Non-Select Symbols</b>	<b>Maker Fee for Select Symbols when trading against Priority Customer<sup>(5)</sup></b>	<b>Maker Fee for non-Select Symbols when trading against Priority Customer<sup>(5)</sup></b>
Market Maker	\$0.10	\$0.20	\$0.47 <sup>(3)</sup>	\$0.86
Non-Nasdaq ISE Market Maker (FarMM)	\$0.20	\$0.20	\$0.48	\$0.88
Firm Proprietary / Broker-Dealer	\$0.10	\$0.20	\$0.48	\$0.88
Professional Customer	\$0.10	\$0.20	\$0.48	\$0.88
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

<b>Taker and other Fees</b>						
<b>Market Participant</b>	<b>Taker Fee for Select Symbols<sup>(5)</sup></b>	<b>Taker Fee for Non-Select Symbols<sup>(5)</sup></b>	<b>Fee for Crossing Orders<sup>(6)(10)</sup></b>	<b>Fee for PIM Orders of 100 or Fewer Contracts<sup>(8)(9)</sup></b>	<b>Fee for Responses to Crossing Orders for Select Symbols</b>	<b>Fee for Responses to Crossing Orders for non-Select Symbols</b>
Market Maker	\$0.47 <sup>(3)</sup>	\$0.86	\$0.20	\$0.05	\$0.48	\$0.91
Non-Nasdaq ISE Market Maker (FarMM)	\$0.48	\$0.88	\$0.20	\$0.05	\$0.48	\$0.96
Firm Proprietary / Broker-Dealer	\$0.48	\$0.88	\$0.20	\$0.05	\$0.48	\$0.96
Professional Customer	\$0.48	\$0.88	\$0.20 <sup>(14)</sup>	\$0.05	\$0.48	\$0.96
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.48	\$0.96

1. Rebate provided per contract per leg if the order trades with non-Priority Customer orders in the Complex Order Book or trades with quotes and orders on the regular order book.
2. Rebate provided per contract per leg for contracts that are submitted to PIM, Facilitation and Solicitation Mechanisms that do not trade with their contra order except when those contracts trade against pre-existing orders and quotes on the Exchange's orderbooks. The applicable fee is applied to any contracts for which a rebate is provided.
3. This fee is \$0.44 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts. All eligible volume from affiliated Members will be aggregated in determining total affiliated Priority Customer Complex ADV, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A. For purposes of determining Priority Customer Complex ADV, any day that the complex order book 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 such calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
4. No Priority Customer complex order rebates will be paid for orders in NDX or MNX.

5. Nasdaq ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the Complex Order Book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to Nasdaq ISE Rule 722(b)(3)(i)(B).
6. Firm Proprietary and Non-Nasdaq ISE Market Maker contracts traded are subject to the Crossing Fee Cap, as provided in Section IV.H.
7. The rebate for the highest tier volume achieved is applied retroactively to all eligible Priority Customer Complex volume once the threshold has been reached. For purposes of determining Priority Customer Complex ADV, any day that the complex order book 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 such calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
8. PIM orders of more than 100 contracts will pay the Fee for Crossing Orders.
9. Other than for Priority Customer orders, this fee is \$0.03 per contract for orders executed by Members that have an ADV of 20,000 or more Priority Customer contracts in a given month executed in the PIM. This discounted fee is applied retroactively to all eligible PIM volume in that month once the threshold has been reached.
10. Fee charged for all legs.
11. Fees apply to the originating and contra order.
12. The Exchange will charge a stock handling fee of \$0.0010 per share (capped at \$50 per trade) for the stock leg of stock-option orders executed against other stock-option orders in the complex order book.
13. Members will not receive rebates for net zero complex orders entered on behalf of originating market participants that execute an ADV of at least 2,000 contracts in net zero complex orders in a given month. For purposes of determining which complex orders qualify as “net zero” the Exchange will count all complex orders that leg in to the regular order book and are executed at a net price per contract that is within a range of \$0.01 credit and \$0.01 debit.
14. Transaction fees applicable to Professional Customers for an order submitted as a Qualified Contingent Cross order and orders executed in the Exchange’s Solicited Order Mechanism will be \$0.10 per contract.

### III. FX Options Fees and Rebates for Regular and Complex Orders

Market Participant	Fee	Fee for Crossing Orders <sup>(1)(7)</sup>	Fee for PIM Orders of 100 or Fewer Contracts <sup>(1)(4)(5)(7)</sup>	Fee for Responses to Crossing Orders	PIM Break-up Rebate <sup>(6)</sup>
Early Adopter Market Maker <sup>(2)</sup>	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Market Maker	\$0.25 <sup>(3)</sup>	\$0.25 <sup>(3)</sup>	\$0.05	\$0.47	N/A
Market Maker (for orders sent by Electronic Access Members)	\$0.20	\$0.20	\$0.05	\$0.47	(\$0.15)
Non-Nasdaq ISE Market Maker (FarMM)	\$0.50	\$0.20	\$0.05	\$0.47	(\$0.15)
Firm Proprietary / Broker-Dealer	\$0.50	\$0.20	\$0.05	\$0.47	(\$0.15)
Professional Customer	\$0.50	\$0.20	\$0.05	\$0.47	(\$0.15)
Priority Customer in Early Adopter FX Option Symbols	\$0.40	\$0.40	\$0.40	\$0.47	(\$0.15)
Priority Customer	\$0.40	\$0.40	\$0.40	\$0.47	(\$0.15)

1. Firm Proprietary and Non-Nasdaq ISE Market Maker contracts traded are subject to the Crossing Fee Cap, as provided in Section IV.H.
2. An Early Adopter Market Maker is a market maker that entered into a revenue sharing agreement with the Exchange on or before March 30, 2012 to make markets in Early Adopter FX Option Symbols. Transaction fee revenue sharing for Early Adopter PMM: 40%. Shared revenue for an Early Adopter PMM is based on transaction fees assessed to Priority Customer contract sides. Transaction fee revenue sharing for Early Adopter CMMs: 20%. Shared revenue for an Early Adopter CMM is based on transaction fees assessed to Priority Customer contract sides for trades done with that Early Adopter CMM.
3. Market Maker fees are subject to tier discounts, as provided in Section IV.C.
4. PIM orders of more than 100 contracts will pay the Fee for Crossing Orders.

5. Other than for Priority Customer orders, this fee is \$0.03 per contract for orders executed by Members that have an ADV of 20,000 or more Priority Customer contracts in a given month executed in the PIM. This discounted fee is applied retroactively to all eligible PIM volume in that month once the threshold has been reached.
6. Rebate provided for contracts that are submitted to PIM that do not trade with their contra order. The applicable fee is applied to any contracts for which a rebate is provided.
7. Fees apply to the originating and contra order.

#### IV. Other Options Fees and Rebates

##### A. QCC and Solicitation Rebate

- Members using the Qualified Contingent Cross (QCC) and/or other solicited crossing orders, including solicited orders executed in the Solicitation, Facilitation or Price Improvement Mechanisms, will receive rebates according to the table below for each originating contract side in all symbols traded on the Exchange. Once a Member reaches a certain volume threshold in QCC orders and/or solicited crossing orders during a month, the Exchange will provide rebates to that Member for all of its QCC and solicited crossing order traded contracts for that month. All eligible volume from affiliated Members will be aggregated in determining QCC and Solicitation volume totals, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A. The applicable rebates will be applied on QCC and solicited crossing order traded contracts once the volume threshold is met. Members will receive the Non-"Customer to Customer" rebate for all QCC and/or other solicited crossing orders except for QCC and solicited orders between two Priority Customers. QCC and solicited orders between two Priority Customers will receive the "Customer to Customer" rebate or "Customer to Customer" Rebate PLUS, respectively. The volume threshold and corresponding rebates are as follows:
- Non-"Customer to Customer" and "Customer to Customer" volume will be aggregated in determining the applicable volume tier.

Originating Contract Sides	Non-"Customer to Customer" Rebate	"Customer to Customer" Rebate	"Customer to Customer" Rebate PLUS*
0 to 99,999	\$0.00	\$0.00	\$0.00
100,000 to 199,999	(\$0.05)	(\$0.01)	(\$0.05)
200,000 to 499,999	(\$0.07)	(\$0.01)	(\$0.05)
500,000 to 999,999	(\$0.09)	(\$0.03)	(\$0.05)
1,000,000+	(\$0.11)	(\$0.03)	(\$0.05)

\*PLUS rebate is for Members with total monthly unsolicited originating Facilitation contract side volume of 175,000 or more.

**B. Non-Priority Customer License Surcharge for Index Options**

Symbols	Fee
BKX	\$0.10
NDX, MNX	\$0.25

**C. Nasdaq ISE Market Maker Discount Tiers**

Monthly Volume (contracts)	Fee
0 to 250,000	\$0.25
250,000+	\$0.20

- Discounted fees apply to Nasdaq ISE Market Maker contracts for Regular Orders in Non-Select Symbols as well as Regular and Complex Orders in FX Options. Once a member reaches the highest tier, the fee applicable to that tier will apply retroactively to all Market Maker contracts for Regular Orders in Non-Select Symbols as well as Regular and Complex Orders in FX Options. This fee is waived entirely for Flash Orders. This fee applies to non-Early Adopter Market Makers in options on Early Adopter FX Option Symbols.

**D. Marketing Fee**

Symbols	Fee
Non-Select Symbols	\$0.70

- Marketing fees apply to Nasdaq ISE Market Makers for each Regular Priority Customer contract executed except as noted below.
- Marketing fees do not apply to Nasdaq ISE Market Makers for each Regular Priority Customer contract executed in Select Symbols.
- Marketing fees are waived FX Options, NDX, MNX, Flash Orders and for Complex Orders in all symbols.
- The marketing fee will be rebated proportionately to the members that paid the fee such that on a monthly basis the marketing fee fund balance administered by a Primary Market Maker for a Group of options established under Rule 802(b) does not

exceed \$100,000 and the marketing fee fund balance administered by a preferred Competitive Market Maker for such a Group does not exceed \$100,000. A preferred Competitive Market Maker that elects not to administer a fund will not be charged the marketing fee. The Exchange assesses an administrative fee of .45% on the total amount of the funds collected each month.

**E. Member Order Routing Program**

Monthly ADV in Unsolicited Crossing Orders (originating contract sides)	Rebate
30,000 – 99,999	\$0.05
100,000+	\$0.07

- Rebate paid per originating contract side for all unsolicited Crossing Orders executed by an eligible EAM. The rebate for the highest tier achieved is applied retroactively to all eligible contracts traded in a given month. For purposes of determining whether the member meets the above ADV thresholds, any day that the Exchange 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 such calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
  
- To be eligible to participate in the Member Order Routing Program an EAM must:
  1. Provide to its clients, systems that enable the electronic routing of option orders to all of the U.S. options exchanges, including Nasdaq ISE;
  2. Interface with Nasdaq ISE to access the Exchange’s electronic options trading platform;
  3. Offer to its clients a customized interface and routing functionality such that Nasdaq ISE will be the default destination for all unsolicited Crossing Orders entered by the EAM, provided that market conditions allow the Crossing Order to be executed on Nasdaq ISE;



4. Configure its own option order routing functionality such that NasdaqISE will be the default destination for all unsolicited Crossing Orders, provided that market conditions allow the Crossing Order to be executed on NasdaqISE, with respect to all option orders as to which the EAM has routing discretion; and
5. Ensure that the default routing functionality permits users submitting option orders through such system to manually override the NasdaqISE as the default destination on an order-by-order basis.

➤ Facilitation and Solicitation Break-Up Rebates:

Market Participant	Regular Orders in Select Symbols	Complex Orders in Select Symbols	Regular Orders in Non-Select Symbols	Complex Orders in Non-Select Symbols	Regular Orders in FX Options	Complex Orders in FX Options
Market Maker	N/A	N/A	N/A	N/A	N/A	N/A
Non- <u>Nasdaq</u> ISE Market Maker (FarMM)	(\$0.35)	(\$0.35)	(\$0.15)	(\$0.80)	(\$0.15)	(\$0.15)
Firm Proprietary / Broker-Dealer	(\$0.35)	(\$0.35)	(\$0.15)	(\$0.80)	(\$0.15)	(\$0.15)
Professional Customer	(\$0.35)	(\$0.35)	(\$0.15)	(\$0.80)	(\$0.15)	(\$0.15)
Priority Customer	(\$0.35)	(\$0.35)	(\$0.15)	(\$0.80)	(\$0.15)	(\$0.15)

- Eligible MORP EAMS that execute a monthly ADV in unsolicited Crossing Orders of 30,000 originating contract sides or more are also eligible for increased Facilitation and Solicitation break-up rebates. Break-up rebates shown in the table above apply instead of rebates described in Sections I, II, and III, and will be provided for contracts that are submitted to the Facilitation and Solicited Order Mechanisms that do not trade with their contra order except when those contracts trade against pre-existing orders and quotes on the Exchange’s orderbooks. The applicable fee for Crossing Orders is applied to any contracts for which a rebate is provided.

**F. Route-Out Fees<sup>1</sup>**

<b>Market Participant</b>	<b>Select Symbols</b>	<b>Non-Select Symbols</b>
Market Maker	\$0.55	\$0.95
Non-Nasdaq ISE Market Maker (FarMM)	\$0.55	\$0.95
Firm Proprietary / Broker-Dealer	\$0.55	\$0.95
Professional Customer	\$0.55	\$0.95
Priority Customer	\$0.48	\$0.70

1. Fee applies to executions of orders in all symbols that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan.

**G. Credit for Responses to Flash Orders**

<b>Symbols</b>	<b>Trading Against:</b>	<b>Credit</b>
Select Symbols	Priority Customer	(\$0.05)
Select Symbols	Professional Customer	(\$0.05)
Select Symbols	Preferred Priority Customer <sup>(1)</sup>	(\$0.05)
Non-Select Symbols	Professional Customer	(\$0.05)
All Symbols	Non-Customer <sup>(2)</sup>	N/A

1. Credit applies to a Nasdaq ISE Market Maker when trading against a Priority Customer order that is preferred to that market maker.
2. No Fee charged or credit provided.

**H. Crossing Fee Cap**

Fees are capped at \$75,000 per month per member on all Firm Proprietary and Non-Nasdaq ISE Market Maker transactions that are part of the originating or contra side of a Crossing Order. Members that elect prior to the start of the month to pay

\$65,000 per month will have these crossing fees capped at that level instead. Crossing Orders are contracts that are submitted as part of a Facilitation, Solicitation, PIM, Block or QCC order. All eligible volume from affiliated Members will be aggregated for purposes of the Crossing Fee Cap, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A. Fees charged by the Exchange for Responses to Crossing Orders are not included in the calculation of the monthly fee cap. Surcharge fees charged by the Exchange for licensed products are not included in the calculation of the monthly fee cap. A service fee of \$0.00 per side will apply to all order types that are eligible for the fee cap. The service fee shall apply once a member reaches the fee cap level and shall apply to every contract side above the fee cap. A member who does not reach the monthly fee cap will not be charged the service fee. Once the fee cap is reached, the service fee shall apply to eligible Firm Proprietary and Non-Nasdaq ISE market Maker orders in all Nasdaq ISE products. The service fee is not calculated in reaching the cap.

#### **I. Inactive PMM Fee**

- \$100,000 per month per Membership. If a group has not been open for trading, the PMM appointed to that group will be subject to an "inactive" fee of \$100,000 per month. This fee does not apply to inactive FXPMMs.

#### **J. Cancellation Fee**

- \$0.00 per order applies to a clearing Electronic Access Member that cancelled at least 500 Priority Customer options orders in a month for itself or for an introducing broker, for each order cancellation in excess of the total number of orders executed for itself or for such introducing broker that month. All Priority Customer options orders from the same clearing Electronic Access Member for itself or for such introducing broker executed in the same underlying symbol at the same price within a 300 second period will be aggregated and counted as one executed order for purposes of this fee. This fee shall not apply to the cancellation of options orders that improve Nasdaq ISE's disseminated quotes at the time the orders were entered.

#### **K. Back-up Trading Arrangements**

- If Nasdaq ISE exclusively listed options are traded at Nasdaq ISE's facility on a Back-up Exchange pursuant to Nasdaq ISE Rule 508, the Back-up Exchange has agreed to apply the per contract and per contract side fees in this fee schedule to such transactions. If any other Nasdaq ISE listed options are traded on the Back-up Exchange (such as Nasdaq ISE singly listed

options that are listed by the Back-up Exchange) pursuant to Nasdaq ISE Rule 508, the fee schedule of the Back-up Exchange shall apply to such trades.

- If the exclusively listed options of a Disabled Exchange are traded on the Disabled Exchange's facility at Nasdaq ISE pursuant to Rule 508, Nasdaq ISE will apply the per contract and per contract side fees in the fee schedule of the Disabled Exchange to such transactions. If any other options classes of the Disabled Exchange are traded on Nasdaq ISE (such as singly listed options of the Disabled Exchange) pursuant to Rule 508, the fees set forth in the Nasdaq ISE fee schedule shall apply to such trades.

## V. Trading Application Software

### A. Installation

1. Non-Standard Services. \$350 per hour (one time).

### B. Software License & Maintenance

1. PrecISE Trade® Terminal Fee – This fee is waived for the first two months for all new users.  
\$350 per logged-in user per month, for the first 10 users.\*  
\$100 per logged-in user per month, for each subsequent user.
2. PrecISE Trade® Terminal Sponsored Customer Fee - This fee is waived for the first two months for all new users of a sponsored customer. This fee applies only to sponsored customers of non-affiliated firms.  
\$350 per logged-in user per month, for the first 10 users.\*  
\$100 per logged-in user per month, for each subsequent user.
3. Intermediate Routing Destination (“IRD”). A \$20 fee is charged to an IRD for each PrecISE Trade terminal that is authorized to send such IRD orders. An IRD is a[n] Nasdaq ISE member that receives orders from another Nasdaq ISE member via a PrecISE Trade terminal and routes those orders to other options exchanges.

\* PrecISE Trade® fee waived for first five (5) users if the EAM or sponsored customer executes a minimum of 1.5 million crossing contracts during the prior calendar month. Free users will count towards the first ten (10) users otherwise subject to the higher \$350 per user fee.

### C. FIX Session/API Session Fees

#### 1. Market Makers

Quoting, Order Entry and Listening - \$1,000 per month per API. Minimum of two. Each API fee allows for up to 1,500,000 quotes per day per user as measured on an average in a single month. Each incremental usage of up to 1,500,000 quotes per day per user shall incur an additional API fee of \$1,000 per month. Market Makers that achieve Market Maker Plus in 200 or more symbols (other than SPY) will have the above fees for that month capped at 200 sessions. Market Makers that achieve Market Maker Plus in SPY will receive credit for five sessions. Market Makers that quote in all FX option products will not have their FX option quotes counted towards the 1,500,000 quote threshold, and will receive additional credit for twelve sessions. All credited sessions will be applied after the 200 API session cap.

Order Entry and Listening - \$750 per month per API. A Listener may engage in any activity except submit orders and quotes, alter orders and cancel orders.

Listening - \$175 per month per API.

#### 2. EAM Options API\*

First five sessions - \$250 per session per month.

Sixth and additional sessions - \$100 per session per month.

\* The connectivity provided under this section provides connectivity to both the [International Securities Exchange]Nasdaq ISE, LLC and [ISE Gemini]Nasdaq GEMX, LLC.

#### 3. EAM Options FIX Sessions\*

First and second session - \$250 per session per month.

Third and additional sessions - \$50 per session per month.

\* The connectivity provided under this section provides connectivity to both the [International Securities Exchange]Nasdaq ISE, LLC and [ISE Gemini]Nasdaq GEMX, LLC.

**VI. Access Services****A. Access Fees**

Electronic Access Member - \$500 per month per membership.

**Market Maker**

Primary Market Maker - \$4,000 per month per membership.

Competitive Market Maker - \$2,000 per month per membership.

**B. Network Fees**

Ethernet – Fees are charged per connection and apply to both members and non-members.\*

1 Gigabit – \$1,000 per month.

10 Gigabits – \$4,500 per month.

\* The connectivity provided under this section provides connectivity to both the [International Securities Exchange]Nasdaq ISE, LLC and [ISE Gemini]Nasdaq GEMX, LLC.

Ethernet – Low Latency. Fees are charged per connection and apply to both members and non-members.\*

10 Gigabits – \$8,000 per month.

40 Gigabits – \$15,000 per month.

\* The connectivity provided under this section provides connectivity to both the [International Securities Exchange]Nasdaq ISE, LLC and [ISE Gemini]Nasdaq GEMX, LLC.

**C. Gateway Fees\***

Shared Gateway – \$750 per gateway per month.

Dedicated Gateway – \$2,250 per gateway pair per month.

\* The connectivity provided under this section provides connectivity to both the [International Securities Exchange]Nasdaq ISE, LLC and [ISE Gemini]Nasdaq GEMX, LLC.

**D. Telco Line Charges**

These fees are paid to 3<sup>rd</sup> parties.



## **VII. Legal & Regulatory**

### **A. Application**

Primary Market Maker - \$7,500 per Firm (one time).

Competitive Market Maker - \$5,500 per Firm (one time). \*

Electronic Access Member - \$3,500 per Firm (one time).

Lessor - \$1,000 per Applicant (one time).

\* This Competitive Market Maker application fee is waived for applicants that share at least 75% common ownership with another CMM as reflected on each firm's Form BD, Schedule A.

### **B. Administrative**

DTR Approval - \$500 per Trader (one time).\*

Pg2 – U4 for Non-Registered Persons - \$100 per Individual (one time).

\* This fee is waived for DTRs of affiliated CMMs that are already registered as DTRs under the affiliated entity.

### **C. Options Regulatory Fee**

\$0.0039 per Contract. The Options Regulatory fee is assessed by Nasdaq ISE to each member for all options transactions executed or cleared by the member that are cleared by The Options Clearing Corporation (OCC) in the customer range regardless of the exchange on which the transaction occurs. The fee is collected indirectly from members through their clearing firms by OCC on behalf of Nasdaq ISE. The Exchange may only increase or decrease the Options Regulatory Fee semi-annually, and any such fee change will be effective on the first business day of February or August. The Exchange will notify Members via circular of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

### **D. Regulatory Fee**

**Primary Market Makers**

- \$7,500 per membership per year for first PMM membership.
- \$1,500 per membership per year for each additional PMM membership.
- \$1,000 per membership per year for each CMM membership.

**Competitive Market Makers (who are also not Primary Market Makers)**

- \$5,000 per membership per year for first CMM membership. \*
- \$1,000 per membership per year for each additional CMM membership.

\* This fee will only be charged for the first CMM membership within each group of affiliated companies. Affiliated CMMs will pay the incremental regulatory fee charged for additional CMM memberships.

**Electronic Access Member**

- \$5,000 per membership per year.

**E. FINRA Web CRD Fees**

These fees are collected and retained by FINRA via the Web CRD registration system for the registration of associated persons of member organizations of the Exchange that are not FINRA members.

**General Registration Fees:**

\$100 – For each initial Form U4 filed for the registration of a representative or principal.

\$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.

\$45 – FINRA Annual System Processing Fee Assessed only during Renewals.

**Fingerprint Processing Fees:**

\$29.50 – Initial Submission (Electronic)

\$44.50 – Initial Submission (Paper)

\$15.00 – Second Submission (Electronic)

\$30.00 – Second Submission (Paper)

\$29.50 – Third Submission (Electronic)

\$44.50 – Third Submission (Paper)

\$30.00 – FINRA Processing Fee for Fingerprint Results Submitted by Self-Regulatory Organizations other than FINRA.

Continuing Education Fee:

\$60 – S501. Assessed to each individual who is solely registered as a Proprietary Trader required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Nasdaq ISE Rule 604.

## **VIII. Market Data**

### **A. Nasdaq ISE Open/Close Trade Profile End of Day**

Subscription - \$750 per month with an annual subscription.

Ad-hoc Request (historical data) - \$600 per request per month. An ad-hoc request can be for any number of months beginning with May 2005 for which the data is available.

Complete Set (historical data) - \$27,500 per request. A complete set includes all the months from May 2005 through the current month.

Academic Ad-hoc request (historical data) - \$500 per request. An ad-hoc request for up to 12 months of data. Academic institutions may use this data for academic purposes only and not for actual securities trading.

Academic Complete Set (historical data) - \$1,000 per request. A complete set includes all the months from May 2005 through the current month. Academic institutions may use this data for academic purposes only and not for actual securities trading.

Free trial – A one month free trial is available to both members and non-members who have not previously subscribed to the Nasdaq ISE Open/Close Trade Profile End of Day.

### **B. Nasdaq ISE Open/Close Trade Profile Intraday**

Subscription - \$2,000 per month.

Ad-hoc Request (historical data). An ad-hoc request can be for any number of months, quarters or years for which the data is available.

\$1,000 per request per month.

\$2,000 per request per quarter.

\$8,000 per request per year.

Academic Ad-hoc request (historical data) - \$1,000\* per ad-hoc request for up to 12 months of data. Academic institutions may use this data for academic purposes only and not for actual securities trading.

Academic Complete Set (historical data) - \$2,000\* per request for a complete set that includes all the months from October 2009 through the current month. Academic institutions may use this data for academic purposes only and not for actual securities trading.

\*Credits will apply for previous purchases of Nasdaq ISE Open/Close data for the academic author and/or university that provide a link to published research papers on the use of Nasdaq ISE Open/Close data that can be posted on the Nasdaq ISE website. For example, a university that previously purchased the Nasdaq ISE Open/Close Trade Profile for \$1,000 would pay an incremental \$1,000 for all of the history for the Open/Close Trade Profile Intraday data.

**C. Nasdaq ISE Open/Close Trade Profile End of Day and Nasdaq ISE Open/Close Trade Profile Intraday**

Subscription - \$2,500 per month with an annual subscription.

**D. Enhanced Sentiment Market Data**

Nasdaq ISEE Select Data Feed

Firms will be charged \$0.10 per end user for redistribution to up to 10,000 end users on a monthly basis.

Firms will be charged \$0.10 per end user for redistribution to 10,001 to 74,999 end users on a monthly basis.

Firms will be charged \$0.084 per end user for redistribution to 75,000 to 199,999 end users (minimum increment of 5,000 end users).

Firms will be charged \$0.0825 per end user for redistribution to 200,000 or more end users (minimum increment of 5,000 end users).

**E. Reserved**

**F. Real-time Depth of Market Raw Data Feed**

Professionals (internal use only).

\$5,000 per month per distributor.\* \$50 per month per controlled device.\*\* Each distributor's combined maximum fee is capped at \$7,500 per month. Each distributor's fee for the first month after connection is established between Nasdaq ISE and distributor shall be \$1,000. All user fees are waived for the first month after connection is established between Nasdaq ISE and distributor.

Professionals (external redistribution by distributor through a controlled device).

\$5,000 per month per distributor. \$50 per month per controlled device. Each distributor's combined maximum fee is capped at \$10,000 per month. Each distributor's fee for the first month after connection is established between Nasdaq ISE and distributor shall be \$1,000. All user fees are waived for the first month after connection is established between Nasdaq ISE and distributor.

Non-Professional (external redistribution by distributor through a controlled device).

\$5,000 per month per distributor. \$5 per month per controlled device. Each distributor's combined maximum fee is capped at \$10,000 per month. Each distributor's fee for the first month after connection is established between Nasdaq ISE and distributor shall be \$1,000. All user fees are waived for the first month after connection is established between Nasdaq ISE and distributor.

Managed Data Access Service is any retransmission of the Real-time Depth of Market Raw Data Feed offered by a Managed Data Access Distributor\*\*\* where the Managed Data Access Distributor must first agree to reformat and/or redisplay the Real-time Depth of Market Raw Data Feed prior to retransmission, but not to affect the integrity of the Real-time Depth of Market Raw Data Feed and not to render it inaccurate, unfair, uninformative, fictitious, misleading, or discriminatory. **(Temporary Program ending August 31, 2016)**

\$2,500 per month per Managed Data Access Distributor. \$750 per month per IP address for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient,\*\*\*\* who may be a Professional or Non-Professional user. \$50 per month per controlled device for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient who is a Professional user. \$5 per month per controlled device for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient who is a Non-Professional user. The minimum monthly fee for each Managed Data Access Distributor for the Real-time Depth of Market Raw Data Feed is \$5,000.

\* A distributor is any firm that receives the Real-time Depth of Market Raw Data Feed directly from Nasdaq ISE or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* A controlled device is any device that a distributor of the Real-time Depth of Market Raw Data Feed permits to access the information in the Real-time Depth of Market Raw Data Feed.

\*\*\*A Managed Data Access Distributor redistributes the Real-time Depth of Market Raw Data Feed and permits access to the information in the Real-time Depth of Market Raw Data Feed through a controlled device. A Managed Data Access Distributor can also redistribute a data feed solution to specific IP addresses, including an Application Programming Interface (API) or similar automated delivery solutions, with only limited entitlement controls (e.g., usernames and/or passwords) to a recipient of the information.

\*\*\*\*Managed Data Access Recipient is a subscriber of the Managed Data Access Distributor who receives a reformatted Real-time Depth of Market Raw Data Feed in a controlled device or at a specific IP address. A Managed Data Access Recipient who receives the data feed outside of a controlled device is charged the fee per IP address, which covers both primary and back-up IP addresses.

## **G. Nasdaq ISE Order Feed**

Internal Use Only.

\$3,000 per month per distributor.\* There are no controlled device fees for internal use.

External Redistribution.

\$3000 per month per distributor. \$20 per month per external controlled device.\*\* Each distributor's combined maximum fee for external redistribution is capped at \$5,000 per month.

Internal and External Redistribution.

\$3,000 per month per distributor. \$20 per month per external controlled device. Each distributor's combined maximum fee for both internal and external redistribution is capped at \$5,000 per month.

Managed Data Access Service is any retransmission of the Nasdaq ISE Order Feed offered by a Managed Data Access Distributor\*\*\* where the Managed Data Access Distributor must first agree to reformat and/or redisplay the Nasdaq ISE Order Feed prior to retransmission, but not to affect the integrity of the Nasdaq ISE Order Feed and not to render it inaccurate, unfair, uninformative, fictitious, misleading, or discriminatory. **(Temporary Program ending August 31, 2016)**

\$2,000 per month per Managed Data Access Distributor. \$500 per month per IP address for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient,\*\*\*\* who may be a Professional or Non-Professional user. \$20 per month per controlled device for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient who is a Professional user. There is no controlled device fee for Non-Professional users. The minimum monthly fee for each Managed Data Access Distributor for the Nasdaq ISE Order Feed is \$4,000.

\* A distributor is any firm that receives the Nasdaq ISE Order Feed directly from Nasdaq ISE or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* An external controlled device is any device that a distributor of the Nasdaq ISE Order Feed permits an external user to access the information in the Nasdaq ISE Order Feed.

\*\*\*A Managed Data Access Distributor redistributes the Nasdaq ISE Order Feed and permits access to the information in the Nasdaq ISE Order Feed through a controlled device. A Managed Data Access Distributor can also redistribute a data feed solution to specific IP addresses, including an Application Programming Interface (API) or similar automated delivery solutions, with only limited entitlement controls (e.g., usernames and/or passwords) to a recipient of the information.

\*\*\*\*Managed Data Access Recipient is a subscriber of the Managed Data Access Distributor who receives a reformatted Nasdaq ISE Order Feed in a controlled device or at a specific IP address. A Managed Data Access Recipient who receives the data feed outside of a controlled device is charged the fee per IP address, which covers both primary and back-up IP addresses.

## H. Nasdaq ISE Top Quote Feed

Professional (internal use only).



\$3,000 per month per distributor.\* \$20 per month per controlled device.\*\* Each distributor's combined maximum fee for internal redistribution is capped at \$4,000 per month.

Professional (external redistribution).

\$3,000 per month per distributor. \$20 per month per controlled device. Each distributor's combined maximum fee for external redistribution is capped at \$5,000 per month.

Professional (internal and external redistribution).

\$3,000 per month per distributor. \$20 per month per controlled device. Each distributor's combined maximum fee for both internal and external redistribution is capped at \$5,000 per month.

Non-Professional (external redistribution through a controlled device).

\$3,000 per month per distributor. There are no monthly controlled device fees.

Managed Data Access Service is any retransmission of the Nasdaq ISE Top Quote Feed offered by a Managed Data Access Distributor\*\*\* where the Managed Data Access Distributor must first agree to reformat and/or redisplay the Nasdaq ISE Top Quote Feed prior to retransmission, but not to affect the integrity of the Nasdaq ISE Top Quote Feed and not to render it inaccurate, unfair, uninformative, fictitious, misleading, or discriminatory. **(Temporary Program ending August 31, 2016)**

\$2,000 per month per Managed Data Access Distributor. \$500 per month per IP address for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient,\*\*\*\* who may be a Professional or Non-Professional user. \$20 per month per controlled device for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient who is a Professional user. There is no controlled device fee for Non-Professional users. The minimum monthly fee for each Managed Data Access Distributor for the Nasdaq ISE Top Quote Feed is \$4,000.

\* A distributor is any firm that receives the Nasdaq ISE Top Quote Feed directly from Nasdaq ISE or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* A controlled device is any device that a distributor of the Nasdaq ISE Top Quote Feed permits to access the information in the Nasdaq ISE Top Quote Feed.

\*\*\*A Managed Data Access Distributor redistributes the Nasdaq ISE Top Quote Feed and permits access to the information in the Nasdaq ISE Top Quote Feed through a controlled device. A Managed Data Access Distributor can also redistribute a data feed solution to specific IP addresses, including an Application Programming Interface (API) or similar automated delivery solutions, with only limited entitlement controls (e.g., usernames and/or passwords) to a recipient of the information.

\*\*\*\*Managed Data Access Recipient is a subscriber of the Managed Data Access Distributor who receives a reformatted Nasdaq ISE Top Quote Feed in a controlled device or at a specific IP address. A Managed Data Access Recipient who receives the data feed outside of a controlled device is charged the fee per IP address, which covers both primary and back-up IP addresses.

#### **I. Nasdaq ISE Spread Feed**

Professional (internal use only).

\$3,000 per month per distributor.\* \$25 per month per controlled device.\*\* Each distributor's combined maximum fee for internal redistribution is capped at \$4,250 per month.

Professional (external distribution).

\$3,000 per month per distributor. \$25 per month per controlled device. Each distributor's combined maximum fee for external redistribution is capped at \$5,500 per month.

Professional (internal and external redistribution).

\$3,000 per month per distributor. \$25 per month per controlled device. Each distributor's combined maximum fee for both internal and external redistribution is capped at \$5,500 per month.

Non-Professional (external redistribution through a controlled device).

\$3,000 per month per distributor. There are no monthly controlled device fees.

Managed Data Access Service is any retransmission of the Nasdaq ISE Spread Feed offered by a Managed Data Access Distributor\*\*\* where the Managed Data Access Distributor must first agree to reformat and/or redisplay the Nasdaq ISE Spread Feed prior to retransmission, but not to affect the integrity of the Nasdaq ISE Spread Feed and not to render it inaccurate, unfair, uninformative, fictitious, misleading, or discriminatory. **(Temporary Program ending August 31, 2016)**

\$2,000 per month per Managed Data Access Distributor. \$500 per month per IP address for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient,\*\*\*\* who may be a Professional or Non-Professional user. \$25 per month per controlled device for redistribution by a Managed Data Access Distributor to a Managed Data Access Recipient who is a Professional user. There is no controlled device fee for Non-Professional users. The minimum monthly fee for each Managed Data Access Distributor for the Nasdaq ISE Spread Feed is \$4,000.

\* A distributor is any firm that receives the Nasdaq ISE Spread Feed directly from Nasdaq ISE or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* A controlled device is any device that a distributor of the Nasdaq ISE Spread Feed permits to access the information in the Nasdaq ISE Spread Feed.

\*\*\*A Managed Data Access Distributor redistribute the Nasdaq ISE Spread Feed and permits access to the information in the Nasdaq ISE Spread Feed through a controlled device. A Managed Data Access Distributor can also redistribute a data feed solution to specific IP addresses, including an Application Programming Interface (API) or similar automated delivery solutions, with only limited entitlement controls (e.g., usernames and/or passwords) to a recipient of the information.

\*\*\*\*Managed Data Access Recipient is a subscriber of the Managed Data Access Distributor who receives a reformatted Nasdaq ISE Spread Feed in a controlled device or at a specific IP address. A Managed Data Access Recipient who receives

the data feed outside of a controlled device is charged the fee per IP address, which covers both primary and back-up IP addresses.

**J. Nasdaq ISE Implied Volatility and Greeks Feed**

Professional (internal use only).

\$5,000 per month per Business Unit\* at a Subscriber.\*\* \$50 per month per controlled device\*\*\* (in excess of the first 50 controlled devices). This subscription includes the first 50 controlled devices.

Managed Data Access Service (MDAS) is any retransmission of the Nasdaq ISE Implied Volatility and Greeks Feed offered by a Managed Data Access Distributor\*\*\*\* where the Managed Data Access Distributor must first agree to reformat and/or redisplay the Nasdaq ISE Implied Volatility and Greeks Feed prior to retransmission, but not to affect the integrity of the Nasdaq ISE Implied Volatility and Greeks Feed and not to render it inaccurate, unfair, uninformative, fictitious, misleading, or discriminatory.

Managed Data Access Distributors (MDAD) – Non-Professional (external redistribution through a controlled device).

\$1,500 per month per MDAD. \$1 per month per controlled device.

Managed Data Access Distributors (MDAD) – Professional (external redistribution through a controlled device).

\$1,500 per month per MDAD. \$50 per month per controlled device.

Managed Data Access Distributors (MDAD) – Professional from an Application Programming Interface (internal redistribution only).

\$1,500 per month per MDAD.

\$1,000 per month for up to 10,000 symbols.

\$2,000 per month for up to 25,000 symbols.

\$3,000 per month for up to 50,000 symbols.

\$4,000 per month for up to 100,000 symbols.  
\$5,000 per month for over 100,000 symbols.

Managed Data Access Recipient (MDAR)\*\*\*\*\* API Log-In Fee

\$250 per month per login.

\*A Business Unit is a separate and distinct business group at a Subscriber firm that has access to the Nasdaq ISE Implied Volatility and Greeks Feed. A market making desk, a risk management group, etc. would each be considered a Business Unit.

\*\*A Subscriber is any firm that receives the Nasdaq ISE Implied Volatility and Greeks Feed directly from the Nasdaq ISE or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranet and private network providers.

\*\*\*A controlled device is any device that a Subscriber or Managed Data Access Distributor of the Nasdaq ISE Implied Volatility and Greeks Feed permits to access the information in the Nasdaq ISE Implied Volatility and Greeks Feed.

\*\*\*\*A Managed Data Access Distributor is a subscriber of the Nasdaq ISE Implied Volatility and Greeks Feed that permits access to the information in the Nasdaq ISE Implied Volatility and Greeks Feed through a “controlled device.” A Managed Data Access Distributor can also offer a data feed solution, including an Application Programming Interface (API) or similar automated delivery solutions, with only limited entitlement controls (e.g., usernames and/or passwords) to a recipient of the information.

\*\*\*\*\*A Managed Data Access Recipient is a subscriber to the Managed Data Access Service for the purpose of accessing the Nasdaq ISE Implied Volatility and Greeks Feed offered by a Managed Data Access Distributor.

**IX. Other Services**

A. Training - \$500

B. Testing - \$100

C. Third party Developers

- Set-up - \$1,000 (one time)
- Usage - \$1,000 per month

D. Disaster Recovery Testing & Relocation Services - \$3,000

\*\*\*\*\*