

Nasdaq Designated Liquidity Provider (DLP) Program

Overview:

- Market quality requirements aimed at incentivizing market makers to support a broader array of ETPs and, in turn, building the foundation for emerging ETPs' volume and AUM
- Different styles of payments designed to best align incentives to varying levels of ETP trading volumes, such as our stipend for newly launched/thinly traded ETPs
- Monthly Stipend Payments (Tiers 3 -5) are on top of base rebate for your DLP MPID.

ADV Tiers	Standard Rebate	Enhanced Rebate
Tier 1 (>1mm)	\$0.0034	\$0.0036
Tier 2 (>250k-1mm)	\$0.0040	\$0.0042
Tier 3 (>150k-250k)	\$200	\$350
Tier 4 (>50k-150k)	\$225	\$450
Tier 5 (<50k)	\$300	\$500

Requirements	Standard	Enhanced	Definitions
Time @ NBBO (min 100 shares)	20%	50%	Average % of time DLP is at the NBBO with a min of 100 shares (99% of time)
Time within 5bps of NBBO	50%	75%	Average % of time DLP most aggressive displayed bid or offer is within 5bps (99% of time)
Notional Depth	\$100,000 (within 150bps of NBBO midpoint)	\$100,000 (within 50bps of NBBO midpoint)	Average Notional Depth for DLP displayed orders
Average Spread	< 125 bps	< 25 bps	Time weighted average spread in basis points when the DLP has a two-sided quote
Auction Quality	within 350 (Opening) and 100 (Closing) basis points	within 150 (Opening) and 50 (Closing) basis points	Auction Price deviation from first reference price after 30 seconds before the market open (Opening) and 120 seconds before the market close (Closing)

Incremental Rebate for DLP's Volume in All Nasdaq Listed ETPs

Incremental Tape C Overview:

- Incremental Tape C ETP listing rebates based on the DLP footprint (based on # of ETP assignments)
- DLP needs to have Time @ NBBO 20% on average and represent 5% of added liquidity across assigned names

# of Primary DLP Assignments	Incremental Rebate
100	\$0.0005
50	\$0.0004
25	\$0.0003
10	\$0.0002

Secondary DLP Program

Secondary DLP Overview:

- Formalizing the Secondary DLP Role to further increase liquidity support for ETP issuers in lower ADV ETPs
- Secondary DLP will need to hit at least 2 Enhanced Market Quality Requirements, excluding the Auction Quality Requirements, to qualify for the rebates

ADV Tiers	Standard Rebate
2nd DLP tier 2 (>250)	\$ 0.0003
2nd DLP tier 3-5 (<250k)	\$150

