

Nasdaq DLP and MQS Programs

Market quality requirements are aimed at incentivizing market makers to support a broad array of ETPs and varying levels of trading volumes in order to build the foundation for emerging ETPs volume and AUM.

ETP Groupings

ETPs are grouped according to the descriptions below, based on the funds existing liquidity profile and underlying securities:

High Volume ETPs

- Any ETP that has > 1 Million Average Daily Volume (ADV)

Investment Strategy Group A

- Investment strategies including government fixed income, North American or USD denominated developed market fixed income, developed market equities, and currencies

Investment Strategy Group B

- Investment strategies including micro to small cap developed market equities, multi asset strategies other than absolute returns, commodities tracking, international fixed income and derivatives

Investment Strategy Group C

- Investment strategies including emerging market equities, emerging market fixed income, multi asset absolute return strategies, commodities strategies and ETNs

Designated Liquidity Provider (DLP) Program Metrics

- 5/7 of the DLP metrics must be met, including Auction Spread in the Opening and Closing Auction in order to receive the DLP rebate/stipend

| | High Volume ETPs | Investment Strategy Group A | Investment Strategy Group B | Investment Strategy Group C |
|--|------------------|-----------------------------|-----------------------------|-----------------------------|
| Time at the national best bid (best offer) ("NBBO") with a minimum \$5,000 | 40% | 45% | 45% | 45% |
| Average Notional Depth within 25 basis points of the NBBO | \$75,000 | \$40,000 | \$30,000 | \$20,000 |
| Average Spread in basis points | 25 | 35 | 60 | 100 |
| Auction Reference Price Difference (Opening) of first reference price within 30 seconds prior to the market open must be within basis points | 150 | 150 | 150 | 150 |
| Auction Reference Price Difference (Closing) of first reference price within 120 seconds prior to the market close must be within basis points | 50 | 50 | 50 | 50 |
| Auction Spread in basis points with \$37,500 notional depth (Opening) | 75 | 105 | 180 | 300 |
| Auction Spread in basis points with \$75,000 notional depth (Closing) | 25 | 35 | 60 | 100 |

DLP Rebates/Stipend

| ADV Tiers | Rebates/Stipend |
|---------------------|-----------------|
| Tier 1 (>1mm) | \$0.0034 |
| Tier 2 (>250k-1mm) | \$0.0040 |
| Tier 3 (>150k-250k) | \$350 |
| Tier 4 (>50k-150k) | \$450 |
| Tier 5 (<=50K) | \$500 |

- Monthly stipend payments (Tiers 3-5) are in addition to firm's add rebate based on the Nasdaq Stock Market Price List

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

- DLPs that pass Average Notional Depth and Average Spread will receive the Tape C ETP rebates

| Average # of DLP Assignments that meet Notional Depth and Average Spread requirements | Tape C ETP Incremental Rebate |
|---|-------------------------------|
| 200 | \$0.00055 |
| 135 | \$0.00045 |
| 75 | \$0.00040 |
| 35 | \$0.00035 |
| 20 | \$0.00025 |

Market Quality Supporter Stipend (MQS) Program Metrics

| Tier 2-5 ETPs - *Only ETPs with <=1M shares ADV* | Investment Strategy Group A | Investment Strategy Group B | Investment Strategy Group C |
|---|-----------------------------|-----------------------------|-----------------------------|
| Average Notional Depth within 75 basis points of the NBBO | \$125,000 | \$75,000 | \$50,000 |
| Average Spread in basis points | 35 | 60 | 100 |
| Auction Spread in basis points with \$37,500 notional depth (Opening) | 105 | 180 | 300 |
| Auction Spread in basis points with \$75,000 notional depth (Closing) | 35 | 60 | 100 |

MQS Stipend

| ADV Tiers | Stipend |
|------------------------|---------|
| Tier 2-5 (<=1M shares) | \$175 |

- Monthly stipend payments (Tiers 2-5) are in addition to firm's add rebate based on the Nasdaq Stock Market Price List
- There can be up to 3 MQS per product

