

TRF Revenue Share Program

Calculation Methodology

THE INITIAL SIP POOLS ARE CALCULATED /

SIP (Securities Information Processor) revenue generated by the sale of market data, minus expenses related to running each SIP as approved by each SIP committee. Tapes A and B are covered by the CTA Plan and Tape C is covered by the UTP Plan.

THE POOL IS SHARED WITH PLAN MEMBERS /

Exchanges and Self-Regulatory Organizations [SROs] that contribute data to each SIP.

1. Issue Weighting

The plans allocate a weighted pool of income per symbol based on the "Square-Root" formula of Reg NMS.

2. Quote vs. Trade

Each SRO is allocated a portion of each issue's income pool for quotes and trades. Quotes and trades in total per security are eligible for approximately 50% each of the symbol's income allocation subject to the \$4.00 cap per eligible trade report.

- Quotes are allocated value based on time and size at the inside market
- Trades are allocated value based on the number of eligible trade reports and reported dollar volume

3. SRO Disbursement

Receives the total allocation due based on their total contribution to the formula for quotes and trades. TRF disbursements are discrete from related exchange disbursements, since these operate under separate SRO licenses (TRFs operate under FINRA's SRO).

YOU RECEIVE YOUR SHARE /

Based on a simple formula, Nasdaq calculates each firm's allocation of the gross allocation it receives from each SIP in Tapes A, B and C based on an average of each firm's percentage of total FINRA/Nasdaq TRF-eligible prints and percent of total FINRA/Nasdaq TRF shares in each security where Nasdaq receives revenue from the SIPs for Tapes A, B and UTP.

1. Pool Per Security

Nasdaq receives dollars from each SIP allocated on a per security basis for reports to the FINRA/Nasdaq TRF.

2. Your Allocation Per Security

Nasdaq calculates each FINRA/ Nasdaq TRF firm's contribution as an average of eligible prints and shares in each security where Nasdaq receives revenue from the SIPs.

3. Quarterly Disbursement

Nasdaq shares up to 98% of all dollars it receives for eligible prints with FINRA/Nasdaq TRF contributing firms on a quarterly basis.

NOTE: TRFs DO NOT include a Quote element, so are therefore eligible to compete for only 50% of the pool compared to their pre-Reg NMS opportunity.

CONTACTS /

AMY KOHN

Email: amy.kohn@nasdaq.com

Phone: + 1 212 231 5347