Compliance Policy

OVERVIEW

Nasdaq conducts a comprehensive compliance program, "Program", of Distributors on a regular basis. The purpose of the Program is to ensure that market data Distributors are in compliance with the terms and conditions of their Nasdaq Agreements and Policies on NasdaqTrader.com. The Program will cover a Distributor's market data infrastructure for a three-year period preceding the date of the review, or the date identified in the engagement letter.

In addition, the Program provides Distributors with the opportunity to meet with Nasdaq staff to discuss current and proposed market data products. During each review, Nasdaq will ask the Distributor to demonstrate entitlement systems, usage reporting procedures, data display and other use cases of the Information.

The Program is administered by Nasdaq. Nasdaq will contact the Distributor approximately one month in advance to schedule a meeting time, which Nasdaq will confirm along with a Pre-Review Required Document list and a Review Process agenda.

As per the Nasdaq Agreements, a Distributor's liability for underreporting, underpaying or other financial non-compliance will extend over a three-year period prior to the date of the review or the date identified in the engagement letter plus the applicable interest.

ON-SITE REVIEW PREPARATION

Distributors should review the Pre-Review Required Document list and Review Process agenda to prepare for the review. This may not be an exhaustive list and depending on the Distributor's distribution of Nasdaq Information additional data may be required.

Upon completion of that review, please let Nasdaq know if you have any questions, or if you have a distribution type that may not be covered in the Pre-Review Required Document list or Review Process agenda. The Distributor should always be prepared to demonstrate the applications/systems utilizing Nasdaq Information, the entitlement systems, or other relevant processes or systems.

FOLLOW-UP PROCEDURES

Nasdaq will send a follow-up letter to the Distributor summarizing its action items or findings following the Review. The letter will outline any outstanding items and the follow-up actions that are required of the Distributor. Distributors must respond in writing to any outstanding items by the deadline date stated in the letter to ensure that the Review is completed in a timely manner.

OFF-SITE/ON-SITE REVIEW PROCESS

During the scheduled meeting please be prepared to walk through these items, including other items that may be requested by Nasdaq:

Product Overview & Demonstrations:
- If applicable, Nasdaq may need a description of a product or a selected group of products. Nasdaq may provide this in advance of the off-site or on-site meeting. Please be prepared to show which data is offered, the source, how the system is utilized, the systems that either connect to it or receive from it, current populations, usage and if the service is delayed or real-time.
- A Demonstration of all external systems will need to be prepared.

Technical Overview:
- If applicable, Nasdaq may need a further explanation of how the firm receives and distributes market data. Nasdaq may provide this in advance of the off-site or on-site meeting.
- Review, discuss and demonstrate systems that have Non-Display or Derived data capabilities.

Entitlement and reporting Systems:
- A demonstration of how the firm controls or manages access to market data for each product on each entitlement system.
- Review records reflecting the entitlements for all Subscribers, companies and recipients receiving services through on-line entitlement access or through system generated reports.   Review and demonstrate how users added and deleted, service levels and simultaneous access.
- Overview and demonstrate reporting process to exchange and/or data consolidators.
- Demonstration of entitlement/disentitlement of a terminal, user, Subscriber, Recipient, data feed customer, or any other user or company that has access to market data.   The process should include how to add a new user for all Internal and External Subscribers.
- Review list of all non-billable users and their associated occupation/job function.

Additional Items (if applicable):
- If applicable, review and demonstrate non-professional qualification process.
- If applicable, review and demonstrate data feed entitlement system.
- If applicable, review and demonstrate per query counting mechanism, including verification that the system counts all securities.

PRE-REVIEW REQUIRED DOCUMENTS

In order to facilitate the Review in a reasonable amount of time, please submit all documents requested below. The review process does not accept PDFs, hard copies, or other electronic communications that cannot be systematically processed. Submission of PDFs or hard copies will result in a delayed review. Nasdaq may add or delete items from this list depending on how Distributor utilizes Nasdaq Information.

1.1   Company overview of the firm which includes subsidiaries, partnerships, current business focus, customer base, and major competitors. Please include all related third party software providers, technical delivery agents, and service facilitators, including details of the role these parties have in the delivery of any of the company's products or services.

1.2   Technical documentation describing how data is distributed and the entitlement system(s) or controls that are in place to entitle, control, and report the users, Recipient(s) or Subscriber(s). This should also include the timing of the data distributed real time, delayed, end of day, historical or other method as defined in policy.

1.3   An electronic list from all entitlement system(s) or control systems for each product, sorted to facilitate cross reference to the monthly usage reporting for all. The system generated list must include:
- o   Username, company name, recipient or UUID,
- o   System(s) name if a system is entitled for data,
- o   Whether the access is for a Display Subscriber, Non-Display Subscribers, or Data Feed Recipient(s),
- o   User(s) Professional or Non-Professional status,
- o   The data product entitled including the timing of the data,
- o   The billable or non-billable status including the non-billable type, e.g. administrative, developmental, etc.
- o   The number of instances that are allowed per Subscriber or user,
- o   Start date and end date (or activation and de-activation date),

1.4   If a System or Software has access to data, please include:
- o   A description of the system(s), and how it uses data;
- o   The source of the data, including whether the system(s) further redistributes data or derived data;
- o   The data products that the system(s) have access to;
- o   The unit of count;
- o   Whether the data is Display, Non-Display, or Derived;
- o   The entitlement system which controls access to the Subscriber(s) or user(s); and
- o   The number of users or Subscribers that are utilizing the system.

1.4.1   If data is provided utilizing the Per Query unit of count or similar, please submit the code that counts and excludes quotes for review.

1.5   If you provide data Externally:

     1.5.1   Please include:

- o   Company name (if applicable),
- o   The method of access/unit of count, e.g. API, Controlled Device, etc.

     1.5.2   If your firm provides data to External Non-Professional Subscribers, please discuss the data required to complete this portion of the review with Nasdaq.