

Required fields are shown with yellow backgrounds and asterisks.

Filing by ISE Mercury, LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposal to amend the Exchange Constitution, Limited Liability Company Agreement, Rule Book, and Fee Schedule to rename it Nasdaq MRX, LLC.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Angela	Last Name * Dunn
Title * Principal Associate General Counsel	
E-mail * Angela.Dunn@nasdaq.com	
Telephone * (215) 496-5692	Fax <input type="text"/>

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date 03/17/2017	Executive Vice President and General Counsel
By Edward S. Knight	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
(Name *)	<div style="border: 1px solid black; width: 100%; height: 20px; background-color: #ccc;"></div>

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

edward.knight@nasdaq.com

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) ISE Mercury, LLC (“ISE Mercury” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend its Constitution, Limited Liability Company Agreement, Rule Book and Fee Schedule to rename itself Nasdaq MRX, LLC. In addition this rule change proposes to amend references to the names of certain affiliated markets within the ISE Mercury Rulebook.<sup>3</sup>

The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).<sup>4</sup>

A notice of the proposed rule change for publication in the Federal Register is at Exhibit 1 and the text of the amended Exchange Rule is at Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of the Exchange on February 27, 2016. The amendment to the Constitution and Limited Liability Company Agreement of the Exchange was approved by the shareholder on

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The affiliated markets are the International Securities Exchange, LLC and ISE Gemini, LLC.

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

February 27, 2017. No other action is necessary for the filing of the rule change. The proposed amendments will be implemented on a date as filed with the State of Delaware.

Questions and comments on the proposed rule change may be directed to:

Angela Saccomandi Dunn  
Principal Associate General Counsel  
Nasdaq, Inc.  
215-496-5692

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

The purpose of the proposed rule change is to rename the Exchange to reflect its new placement within the Nasdaq, Inc. corporate structure in connection with the March 9, 2016 acquisition by Nasdaq of the capital stock of U.S. Exchange Holdings, and the thereby indirectly acquiring all of the interests of the International Securities Exchange, LLC, ISE Gemini, LLC, and ISE Mercury, LLC.<sup>5</sup>

Specifically, all references in the Exchange's Constitution, Limited Liability Company Agreement, Rule Book and Fee Schedule to "ISE Mercury, LLC" or references to "Mercury" shall be amended to "Nasdaq MRX, LLC" or "Nasdaq MRX." Moreover, consistent with changes already filed for ISE Gemini, LLC, the rule change proposes to amend references to "ISE Gemini" to "Nasdaq GEMX," and references to the

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<sup>5</sup> See Securities Exchange Act Release No. 78119 (June 27, 2016), 81 FR 41611 (SR-ISE-2016-11; SR-ISE Gemini-2016-05; SR-ISE Mercury-2016-10) (Order Granting Accelerated Approval of Proposed Rule Changes, Each as Modified by Amendment No. 1 Thereto, Relating to a Corporate Transaction in Which Nasdaq, Inc. Will Become the Indirect Parent of ISE, ISE Gemini, and ISE Mercury).

“International Securities Exchange” and “ISE” to “Nasdaq ISE.”<sup>6</sup> The Exchange also proposes minor grammatical changes which are necessary as a result of the name change, i.e., amending “a” to “an.” The Exchange proposes to amend its name for ISE Mercury on April 3, 2017.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>8</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest by renaming the Exchange and updating the names of certain affiliated markets to reflect its current ownership.

4. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impact the intense competition that exists in the options market. The name change will reflect the current ownership structure and unify the options markets operated by Nasdaq, Inc.

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<sup>6</sup> See Securities Exchange Act Release No. 80248 (March 15, 2017) (SR-ISEGemini-2017-13). See also SR-ISE-2017-25.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>9</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>10</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange does not believe this proposal significantly affects the protection of investors or the public interest because there is no substantive change to the operation of the Exchange, merely a name change. The Exchange does not believe that this proposal imposes any significant burden on competition because the Exchange is simply renaming itself with this proposal and not impacting any business operations.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may amend its name as of April 3, 2017. ISE Gemini and ISE proposed in separate rule changes to amend the names for as of April 3, 2017.<sup>11</sup> The Exchange desires to announce the name change for ISE Mercury and certain affiliated markets<sup>12</sup> on the same date to reflect the unified ownership of these markets by Nasdaq, Inc. The Exchange believes that changing its name at this time, with the full migration complete, will unify the Nasdaq and ISE markets.<sup>13</sup> In addition, the Exchange believes that simultaneously changing the names of all three markets at the same time is consistent with the protection

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<sup>11</sup> See note 6.

<sup>12</sup> See note 3.

<sup>13</sup> The Exchange will separately file to amend the names of the International Securities Exchange, LLC and ISE Gemini, LLC.

of investors and the public interest because it avoids any confusion with respect to the ownership of Nasdaq of all three of the markets. Amending ISE Mercury's name, at the same time as ISE Gemini and ISE, will relieve various administrative burdens associated with changing the names of ISE Mercury and the other markets with, for example, The Options Clearing Corporation and also contractual agreements with various entities. Both the Exchange and Members may have to update contractual agreements or forms as a result of the name change. All administrative changes can be accomplished at the same time if the operative dates of all three entities are aligned. The Exchange is notifying a number of parties of the name changes along with members of all three of the markets. The Exchange believes that it is in the interest of the Members of ISE Mercury and the members of other markets, as well as the public, to change the names of the three markets at the same time to avoid additional administrative burdens if it were to change the names of the three markets on different dates.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of the proposed rule change.



**EXHIBIT 1**

## SECURITIES AND EXCHANGE COMMISSION

(Release No. \_\_\_\_\_ ; File No. SR-ISEMercury-2017-05)

March \_\_, 2017

Self-Regulatory Organizations; ISE Mercury, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rename the Exchange as Nasdaq MRX, LLC

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 17, 2017, ISE Mercury, LLC (“ISE Mercury” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Constitution, Limited Liability Company Agreement, Rule Book and Fee Schedule to rename itself Nasdaq MRX, LLC. In addition this rule change proposes to amend references to the names of certain affiliated markets within the ISE Mercury Rulebook.<sup>3</sup>

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The affiliated markets are the International Securities Exchange, LLC and ISE Gemini, LLC.

The text of the proposed rule change is available on the Exchange's Website at [www.ise.com](http://www.ise.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to rename the Exchange to reflect its new placement within the Nasdaq, Inc. corporate structure in connection with the March 9, 2016 acquisition by Nasdaq of the capital stock of U.S. Exchange Holdings, and the thereby indirectly acquiring all of the interests of the International Securities Exchange, LLC, ISE Gemini, LLC, and ISE Mercury, LLC.<sup>4</sup>

Specifically, all references in the Exchange's Constitution, Limited Liability Company Agreement, Rule Book and Fee Schedule to "ISE Mercury, LLC" or references to "Mercury" shall be amended to "Nasdaq MRX, LLC" or "Nasdaq MRX." Moreover,

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<sup>4</sup> See Securities Exchange Act Release No. 78119 (June 27, 2016), 81 FR 41611 (SR-ISE-2016-11; SR-ISE Gemini-2016-05; SR-ISE Mercury-2016-10) (Order Granting Accelerated Approval of Proposed Rule Changes, Each as Modified by Amendment No. 1 Thereto, Relating to a Corporate Transaction in Which Nasdaq, Inc. Will Become the Indirect Parent of ISE, ISE Gemini, and ISE Mercury).

consistent with changes already filed for ISE Gemini, LLC, the rule change proposes to amend references to “ISE Gemini” to “Nasdaq GEMX,” and references to the “International Securities Exchange” and “ISE” to “Nasdaq ISE.”<sup>5</sup> The Exchange also proposes minor grammatical changes which are necessary as a result of the name change, i.e., amending “a” to “an.” The Exchange proposes to amend its name for ISE Mercury on April 3, 2017.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest by renaming the Exchange and updating the names of certain affiliated markets to reflect its current ownership.

### B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impact the intense competition that exists in the options market. The name change will reflect the current ownership structure and unify the options markets operated by Nasdaq, Inc.

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<sup>5</sup> See Securities Exchange Act Release No. 80248 (March 15, 2017) (SR-ISEGemini-2017-13). See also SR-ISE-2017-25.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>8</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>9</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-ISEMercury-2017-05 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-ISEMercury-2017-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-ISEMercury-2017-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Robert W. Errett  
Deputy Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

*Adopted as of February 4, 2016*

CONSTITUTION

OF

[ISE MERCURY, LLC]Nasdaq MRX, LLC

\* \* \* \* \*

CONSTITUTION OF

[ISE MERCURY]Nasdaq MRX, LLC

ARTICLE I  
SOLE LLC MEMBER

Section 1.1 Sole LLC Member. [ISE Mercury]Nasdaq MRX, 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”).

\* \* \* \* \*

LIMITED LIABILITY COMPANY AGREEMENT

OF

[ISE MERCURY]Nasdaq MRX, LLC

\* \* \* \* \*

LIMITED LIABILITY COMPANY AGREEMENT

OF

[ISE MERCURY]Nasdaq MRX, LLC

International Securities Exchange Holdings, Inc., a Delaware corporation (the “Sole LLC Member”), hereby forms [ISE Mercury]Nasdaq MRX, 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 “[ISE Mercury]Nasdaq MRX, LLC”.

\* \* \* \* \*



ARTICLE IV  
BOOKS OF ACCOUNT; RECORDS, REPORTS,  
FISCAL MATTERS AND ANNUAL MEETING

Section 4.1. Books and Records. (a) No change.

(b) All confidential information pertaining to the self-regulatory function of the Company (including but not limited to disciplinary matters, trading data, trading practices and audit information) contained in the books and records of the Company shall: (i) not be made available to any persons (other than as provided in the next sentence) other than to those officers, directors, employees and agents of the Company that have a reasonable need to know the contents thereof; (ii) be retained in confidence by the Company and the officers, directors, employees and agents of the Company; and (iii) not be used for any non-regulatory purposes. Nothing in this LLC Agreement shall be interpreted as to limit or impede the rights of the United States Securities Exchange Commission (the "Commission") to access and examine such confidential information pursuant to the federal securities laws and the rules and regulations thereunder, or to limit or impede the ability of any officers, directors, employees or agents of the Company to disclose such confidential information to the Commission or [ISE Mercury]Nasdaq MRX.

\* \* \* \* \*

EXHIBIT B

Interim Board of Directors of [ISE Mercury]Nasdaq MRX, LLC

Gary Katz and the following individuals shall be appointed as the initial directors of [ISE Mercury]Nasdaq MRX, LLC:

**Non-Industry Directors**

No change.

**Industry Directors**

No change.

\* \* \* \* \*

**[ISE MERCURY]Nasdaq MRX, LLC**

**RULES**

\* \* \* \* \*

## 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 XIII of the Constitution of [ISE Mercury]Nasdaq MRX, LLC (the “Constitution”) and not otherwise defined in this Chapter shall have the meaning assigned in Article XIII of the Constitution.

(1) – (20) No change.

(21) The term “ISE” means the [International Securities Exchange]Nasdaq ISE, LLC, a national securities exchange.

(21A) The term “[ISE Gemini]Nasdaq GEMX” means [ISE Gemini]Nasdaq GEMX, LLC, a national securities exchange.

(22) - (51) No change.

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## CHAPTER 2

### Administration

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#### Rule 208. 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 [ISE Mercury]Nasdaq MRX 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 3

### Membership

\* \* \* \* \*

#### Rule 302. Member Application Procedures

(a) *Nasdaq ISE or [ISE Gemini]Nasdaq GEMX Members.* A[n] Nasdaq ISE Member or [ISE Gemini]Nasdaq GEMX Member in good standing is eligible to become a[n] [ISE Mercury]Nasdaq MRX Member of the same category (i.e., a[n] Nasdaq ISE or [ISE Gemini]Nasdaq GEMX PMM Member is eligible to become a[n] [ISE Mercury]Nasdaq MRX PMM Member, a[n] Nasdaq ISE or [ISE Gemini]Nasdaq GEMX CMM Member is eligible to become a[n] [ISE Mercury]Nasdaq MRX CMM Member and a[n] Nasdaq ISE or [ISE Gemini]Nasdaq GEMX EAM Member is eligible to become a[n] [ISE Mercury]Nasdaq MRX EAM Member). Nasdaq ISE and [ISE Gemini]Nasdaq GEMX Member applicants are not required to complete and submit an Exchange application. Instead, only Exchange forms concerning electing to trade on the Exchange, submitting to the Exchange's jurisdiction, and operational matters need to be completed and tendered.

(b) *Non-Nasdaq ISE or [ISE Gemini]Nasdaq GEMX Members.* All applicants seeking to become a Member of the Exchange that are not Nasdaq ISE or [ISE Gemini]Nasdaq GEMX Members must submit an application to the Exchange in accordance with such procedures as shall be established by the Exchange via regulatory circular including submission deadlines and payment of any applicable application fees. The Exchange shall provide non-Nasdaq ISE or [ISE Gemini]Nasdaq GEMX Members with at least sixty (60) days advance written notice of the date upon which the Exchange shall allocate options classes and appoint market makers pursuant to Exchange Rule 802 in order to ensure that these Members have a reasonable opportunity to participate in those processes. A market participant must have completed a membership application to be eligible to participate in the processes set forth in Rule 802. In addition, the following shall apply:

\* \* \* \* \*

## CHAPTER 4

### Business Conduct

The rules contained in Nasdaq ISE Chapter 4, as such rules may be in effect from time to time (the "Chapter 4 Rules"), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 4, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 4 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the

Chapter 4 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 4 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 4 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Chapter” in the Chapter 4 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Chapter; and the defined term “Member” in the Chapter 4 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member. For the avoidance of doubt, the reference to “lessor” in Rule 408 shall not apply to [ISE Mercury]Nasdaq MRX, as [ISE Mercury]Nasdaq MRX memberships cannot be leased under [ISE Mercury]Nasdaq MRX Rules.

## CHAPTER 5

### Securities Traded on the Exchange

The rules contained in Nasdaq ISE Chapter 5, as such rules may be in effect from time to time (the “Chapter 5 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 5, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 5 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 5 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 5 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 5 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Market Maker” in the Chapter 5 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Market Maker; and the defined term “Member” in the Chapter 5 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## CHAPTER 6

### Doing Business With the Public

The rules contained in Nasdaq ISE Chapter 6, as such rules may be in effect from time to time (the “Chapter 6 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 6, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 6 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 6 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 6 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 6 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Options Principal” in the Chapter 6 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Options

Principal; and the defined term “Member” in the Chapter 6 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## CHAPTER 7

### Doing Business On The Exchange

\* \* \* \* \*

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

Incoming orders that are executable against orders and quotes in the System will be executed automatically by the System subject to the following:

(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 [ISE Mercury]Nasdaq MRX. 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; and (2) the total number of contracts traded. 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 [ISE Mercury]Nasdaq MRX, the System will automatically reject all subsequent incoming orders entered by the member on [ISE Mercury]Nasdaq MRX.

(2) Members may also choose to have the System automatically cancel all of their existing orders on [ISE Mercury]Nasdaq MRX when the Market Wide Risk Protection is triggered.

(3) No change.

\* \* \* \* \*

#### **Rule 716. Block Trades**

(a) – (c) No change.

(d) *Facilitation Mechanism*. The Facilitation Mechanism is a process by which an Electronic Access Member can execute a transaction wherein the Electronic Access Member seeks to facilitate a block-size order it represents as agent, and/or a transaction wherein the Electronic Access Member solicited interest to execute against a block-size order it represents as agent. Electronic Access Members must be willing to execute the entire size of orders entered into the Facilitation Mechanism.

(1) – (2) No change.

(3) At the end of the period given for the entry of Responses, the facilitation order will be automatically executed.

(i) Unless there is sufficient size to execute the entire facilitation order at a better price, Priority Customer bids (offers) at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at the facilitation price. Professional Orders and market maker quotes at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at their stated price, thereby providing the order being facilitated a better price for the number of contracts associated with such higher bids (lower offers). The facilitation order will be cancelled at the end of the exposure period if an execution would take place at a price that is inferior to the best bid (offer) on [ISE Mercury]Nasdaq MRX.

(ii) – (iii) No change.

(e) No change.

### ***Supplementary Material to Rule 716***

.01 - .09 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 September 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 [ISE Mercury]Nasdaq MRX order book on the same side of the Agency Order. Failure to provide such price improvement will subject Members to the fines set forth in Nasdaq ISE 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 [ISE Mercury]Nasdaq MRX order book 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 September 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 [ISE Mercury]Nasdaq MRX 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 [ISE Mercury]Nasdaq MRX order book on the same side of the Agency Order.

(3) and (4) No change.

(c) – (d) No change.

***Supplementary Material to Rule 723***

.01 - .09 No change.

\* \* \* \* \*

**CHAPTER 8****Market Makers**

\* \* \* \* \*

**Rule 804. Market Maker Quotations**

(a) – (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.

\* \* \* \* \*

**CHAPTER 10****Closing Transactions**

The rules contained in Nasdaq ISE Chapter 10, as such rules may be in effect from time to time (the “Chapter 10 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 10, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 10 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 10 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion:



the defined term “Exchange” in the Chapter 10 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 10 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Clearing Member” in the Chapter 10 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Clearing Member; and the defined term “Member” in the Chapter 10 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 11**

### **Exercises and Deliveries**

The rules contained in Nasdaq ISE Chapter 11, as such rules may be in effect from time to time (the “Chapter 11 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 11, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 11 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 11 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 11 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 11 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Clearing Member” in the Chapter 11 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Clearing Member; and the defined term “Member” in the Chapter 11 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 12**

### **Margins**

The rules contained in Nasdaq ISE Chapter 12, as such rules may be in effect from time to time (the “Chapter 12 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 12, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 12 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 12 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 12 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 12 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; and the defined term “Member” in the Chapter 12 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 13**

### **Net Capital Requirements**

The rules contained in Nasdaq ISE Chapter 13, as such rules may be in effect from time to time (the “Chapter 13 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 13, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 13 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 13 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 13 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 13 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “President” in the Chapter 13 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX President; and the defined term “Member” in the Chapter 13 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 14**

### **Records, Reports and Audits**

The rules contained in Nasdaq ISE Chapter 14, as such rules may be in effect from time to time (the “Chapter 14 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 14, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 14 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 14 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 14 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 14 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Market Maker” in the Chapter 14 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Market Maker; and the defined term “Member” in the Chapter 14 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 15**

### **Summary Suspension**

The rules contained in Nasdaq ISE Chapter 15, as such rules may be in effect from time to time (the “Chapter 15 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 15, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 15 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 15 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related

meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 15 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 15 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Board” in the Chapter 15 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Board; and the defined term “Member” in the Chapter 15 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member. For the avoidance of doubt, the reference to “leases” in Rule 1503 shall not apply to [ISE Mercury]Nasdaq MRX, since [ISE Mercury]Nasdaq MRX memberships can’t be leased.

## **CHAPTER 16**

### **Discipline**

The rules contained in Nasdaq ISE Chapter 16, as such rules may be in effect from time to time (the “Chapter 16 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 16, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 16 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 16 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 16 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 16 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Affiliate” in the Chapter 16 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Affiliate; and the defined term “Member” in the Chapter 16 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member. In addition, for the avoidance of doubt, the contract with FINRA that is referred to in Rule 1615 also covers [ISE Mercury]Nasdaq MRX.

## **CHAPTER 17**

### **Hearings and Review**

The rules contained in Nasdaq ISE Chapter 17, as such rules may be in effect from time to time (the “Chapter 17 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 17, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 17 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 17 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 17 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 17 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Business Conduct Committee” in the Chapter 17 Rules shall be read to refer to the [ISE Mercury]Nasdaq

MRX Business Conduct Committee; and the defined term “Member” in the Chapter 17 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 18**

### **Arbitration**

The rules contained in Nasdaq ISE Chapter 18, as such rules may be in effect from time to time (the “Chapter 18 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 18, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 18 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 18 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 18 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 18 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; and the defined term “Member” in the Chapter 18 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 19**

### **Intermarket Linkage**

The rules contained in Nasdaq ISE Chapter 19, as such rules may be in effect from time to time (the “Chapter 19 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 19, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 19 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 19 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX -related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 19 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 19 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX; the defined term “Bid” in the Chapter 19 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Bid; and the defined term “Member” in the Chapter 19 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

## **CHAPTER 20**

### **Index Rules**

The rules contained in Nasdaq ISE Chapter 20, as such rules may be in effect from time to time (the “Chapter 20 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 20, and are thus [ISE Mercury]Nasdaq MRX Rules

and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 20 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 20 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 20 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 20 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; the defined term “Exchange Official” in the Chapter 20 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Official; and the defined term “Member” in the Chapter 20 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

\* \* \* \* \*

## **CHAPTER 22**

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

The rules contained in Nasdaq ISE Chapter 22, as such rules may be in effect from time to time (the “Chapter 22 Rules”), are hereby incorporated by reference into this [ISE Mercury]Nasdaq MRX Chapter 22, and are thus [ISE Mercury]Nasdaq MRX Rules and thereby applicable to [ISE Mercury]Nasdaq MRX Members. [ISE Mercury]Nasdaq MRX Members shall comply with the Chapter 22 Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in the Chapter 22 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX-related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter 22 Rules shall be read to refer to [ISE Mercury]Nasdaq MRX; the defined term “Rule” in the Chapter 22 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Rule; and the defined term “Member” in the Chapter 22 Rules shall be read to refer to the [ISE Mercury]Nasdaq MRX Member.

\* \* \* \* \*



**Nasdaq MRX**  
**Schedule of Fees**

*Last Updated November 1, 2016*

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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 calendar (60) 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 [ISE Mercury]Nasdaq MRX Rule 100(a)(37A).

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

A “**Non-[ISE Mercury]Nasdaq MRX 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 “[Mercury]Nasdaq MRX **Appointed Market Maker**” is an [ISE Mercury]Nasdaq MRX Market Maker who has been appointed by an Electronic Access Member pursuant to Section I, Table 4.

A “[Mercury]Nasdaq MRX **Appointed Order Flow Provider**” is an Electronic Access Member who has been appointed by an [ISE Mercury]Nasdaq MRX Market Maker pursuant to Section I, Table 4.

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 [ISE Mercury]Nasdaq MRX 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 “**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 (i.e., orders & quotes) submitted after the commencement of an auction in the Exchange’s Facilitation Mechanism, Solicited Order Mechanism, Block Order Mechanism or Price Improvement Mechanism.

“**Penny Symbols**” are options overlying all symbols listed on [ISE Mercury]Nasdaq MRX that are in the Penny Pilot Program. The current list of [ISE Mercury]Nasdaq MRX-listed Penny Pilot Program symbols is available at [http://www.ise.com/assets/files/products/productstraded/options\\_product\\_equityDownload.csv](http://www.ise.com/assets/files/products/productstraded/options_product_equityDownload.csv)

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



## I. Regular Order Fees and Rebates

**Table 1**

<b>Penny Symbols</b>					
<b>Market Participant</b>	<b>Fee/Rebate Tier 1</b>	<b>Fee/Rebate Tier 2</b>	<b>Fee/Rebate Tier 3</b>	<b>Fee/Rebate Tier 4</b>	<b>Fee/Rebate Tier 5</b>
Market Maker <sup>(1) (2)</sup>	\$0.25	\$0.22	\$0.18	\$0.15	\$0.10
Non-[ISE Mercury]Nasdaq MRX Market Maker (FarMM)	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Firm Proprietary / Broker-Dealer	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Professional Customer	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Priority Customer	(\$0.05)	(\$0.10)	(\$0.15)	(\$0.21)	(\$0.24)

<b>Non-Penny Symbols</b>					
<b>Market Participant</b>	<b>Fee/Rebate Tier 1</b>	<b>Fee/Rebate Tier 2</b>	<b>Fee/Rebate Tier 3</b>	<b>Fee/Rebate Tier 4</b>	<b>Fee/Rebate Tier 5</b>
Market Maker <sup>(1) (2)</sup>	\$0.25	\$0.22	\$0.18	\$0.15	\$0.10
Non-[ISE Mercury]Nasdaq MRX Market Maker (FarMM)	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90
Firm Proprietary / Broker-Dealer	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90
Professional Customer	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90
Priority Customer	(\$0.05)	(\$0.10)	(\$0.15)	(\$0.21)	(\$0.24)

1. This fee also applies to [ISE Mercury]Nasdaq MRX Market Maker orders sent to the Exchange by Electronic Access Members.
2. Market Makers will receive a \$0.05 per contract discount when trading against a non-Priority Customer.

**Table 2**

<b>Penny Symbols</b>		
<b>Market Participant</b>	<b>Fee for Crossing Orders (Except PIM Orders of 500 or Fewer Contracts) <sup>(1)(2)</sup></b>	<b>Fee for Responses to Crossing Orders</b>
Market Maker <sup>(4)</sup>	\$0.20	\$0.25 <sup>(5)</sup>
Non-[ISE Mercury]Nasdaq MRX Market Maker (FarMM)	\$0.20	\$0.50
Firm Proprietary / Broker-Dealer	\$0.20	\$0.50
Professional Customer	\$0.20	\$0.50
Priority Customer	\$0.00	\$0.50

  

<b>Non-Penny Symbols</b>		
<b>Market Participant</b>	<b>Fee for Crossing Orders (Except PIM Orders of 500 or Fewer Contracts) <sup>(1)(2)</sup></b>	<b>Fee for Responses to Crossing Orders</b>
Market Maker <sup>(4)</sup>	\$0.20	\$0.25 <sup>(5)</sup>
Non-[ISE Mercury]Nasdaq MRX Market Maker (FarMM)	\$0.20	\$0.95
Firm Proprietary / Broker-Dealer	\$0.20	\$0.95
Professional Customer	\$0.20	\$0.95
Priority Customer	\$0.00	\$0.95

Table 3

All Symbols					
Market Participant	Fee/Rebate for PIM Orders of 500 or Fewer Contracts Tier 1 <sup>(1)</sup>	Fee/Rebate for PIM Orders of 500 or Fewer Contracts Tier 2 <sup>(1)</sup>	Fee/Rebate for PIM Orders of 500 or Fewer Contracts Tier 3 <sup>(1)</sup>	Fee/Rebate for PIM Orders of 500 or Fewer Contracts Tier 4 <sup>(1)</sup>	Fee/Rebate for PIM Orders of 500 or Fewer Contracts Tier 5 <sup>(1)</sup>
Market Maker <sup>(4)</sup>	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Non-[ISE Mercury] <u>Nasdaq MRX</u> Market Maker (FarMM)	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Firm Proprietary / Broker-Dealer Professional	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Customer	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Priority Customer <sup>(3)</sup>	(\$0.11)	(\$0.11)	(\$0.13)	(\$0.13)	(\$0.13)

1. Fees apply to the originating and contra orders, except as noted in 3, below.
2. PIM orders of more than 500 contracts will pay the Fee for Crossing Orders.
3. Priority Customer orders on the contra-side of a PIM auction pay no fee and receive no rebate.
4. This fee also applies to [ISE Mercury]Nasdaq MRX Market Maker orders sent to the Exchange by Electronic Access Members.
5. Market Makers that achieve Tier 2 or higher of the Qualifying Tier Thresholds in Table 4, below, will be charged the discounted fee applicable to the tier reached as described in Table 1, above.

**Member Volume Program: Qualifying Tier Thresholds**

**Table 4**

Tier	Total Affiliated and/or Appointed Priority Customer ADV
Tier 1	0-19,999
Tier 2	20,000-39,999
Tier 3	40,000-59,999
Tier 4	60,000-79,999
Tier 5	80,000+

- Any day that the market 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 the ADV calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
- The highest tier threshold attained applies retroactively in a given month to all eligible traded contracts and applies to all eligible market participants.
- The Total Affiliated Priority Customer ADV category includes all Priority Customer volume executed on the Exchange in all symbols and order types, including volume executed in the PIM, Facilitation, and QCC mechanisms.
- All eligible volume from affiliated Members will be aggregated in determining applicable tiers, provided there is at least 75% common ownership between the Members as reflected on the Member’s Form BD, Schedule A.
- All eligible volume from a [Mercury]Nasdaq MRX Appointed Order Flow Provider will be aggregated with its designated [Mercury]Nasdaq MRX Appointed Market Maker’s eligible volume in determining the [Mercury]Nasdaq MRX Appointed Market Maker’s applicable tiers, provided the [Mercury]Nasdaq MRX Appointed Market Maker is designated by the [Mercury]Nasdaq MRX Appointed Order Flow Provider in accordance with the below instructions.
- A [Mercury]Nasdaq MRX Appointed Market Maker is eligible to receive and aggregate volume credit from both their affiliated Members and their [Mercury]Nasdaq MRX Appointed Order Flow Provider. A [Mercury]Nasdaq MRX Appointed Order Flow Provider will not receive volume credit from its [Mercury]Nasdaq MRX Appointed Market Maker or the [Mercury]Nasdaq MRX Appointed Market Maker’s affiliates in determining its applicable tiers.

- Designating a [Mercury]Nasdaq MRX Appointed Market Maker / Appointed Order Flow Provider: An [ISE Mercury]Nasdaq MRX Market Maker appoints an Electronic Access Member as its Appointed Order Flow Provider and an Electronic Access Member appoints an [ISE Mercury]Nasdaq MRX Market Maker as its Appointed Market Maker, for the purposes of the Fee Schedule, by each sending an email to [bizdev@ise.com](mailto:bizdev@ise.com). These corresponding emails will be viewed as acceptance of the appointment.
- The Exchange will recognize one such designation for each party. A party may make a designation not more than once every 6 months, which designation shall remain in effect until the Exchange receives an email from either party indicating that the appointment has been terminated.

**II. Other Options Fees and Rebates**

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

Market Participant	Penny Symbols	Non-Penny Symbols
All Market Participants	\$0.55	\$0.96

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

**B. Marketing Fee**

Market Participant	Penny Symbols	Non-Penny Symbols
Market Maker	\$0.25	\$0.70

- Marketing fees apply to [ISE Mercury]Nasdaq MRX Market Makers for each Regular Priority Customer contract executed except as noted below.
- Marketing fees are waived for Flash Order responses.
- 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 preferenced Competitive Market Maker for such a Group does not exceed \$100,000. A preferenced 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.

### III. Legal & Regulatory

#### A. 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 of more disclosure events or proceedings.

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

Fingerprint Processing Fees:

\$27.75 – Initial Submission (Electronic)

\$42.75 – Initial Submission (Paper)

\$15.00 – Second Submission (Electronic)

\$30.00 – Second Submission (Paper)

\$27.75 – Third Submission (Electronic)

\$42.75 – Third Submission (Paper)

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

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