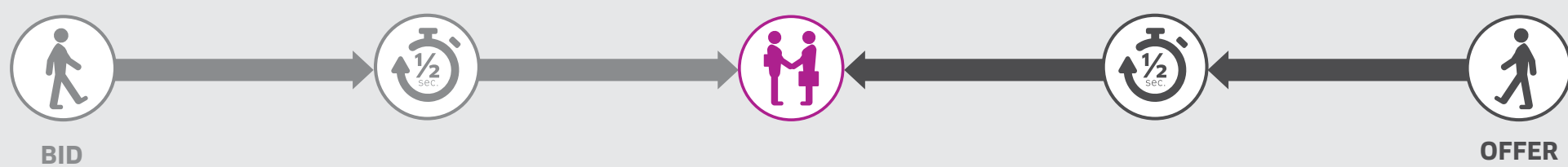


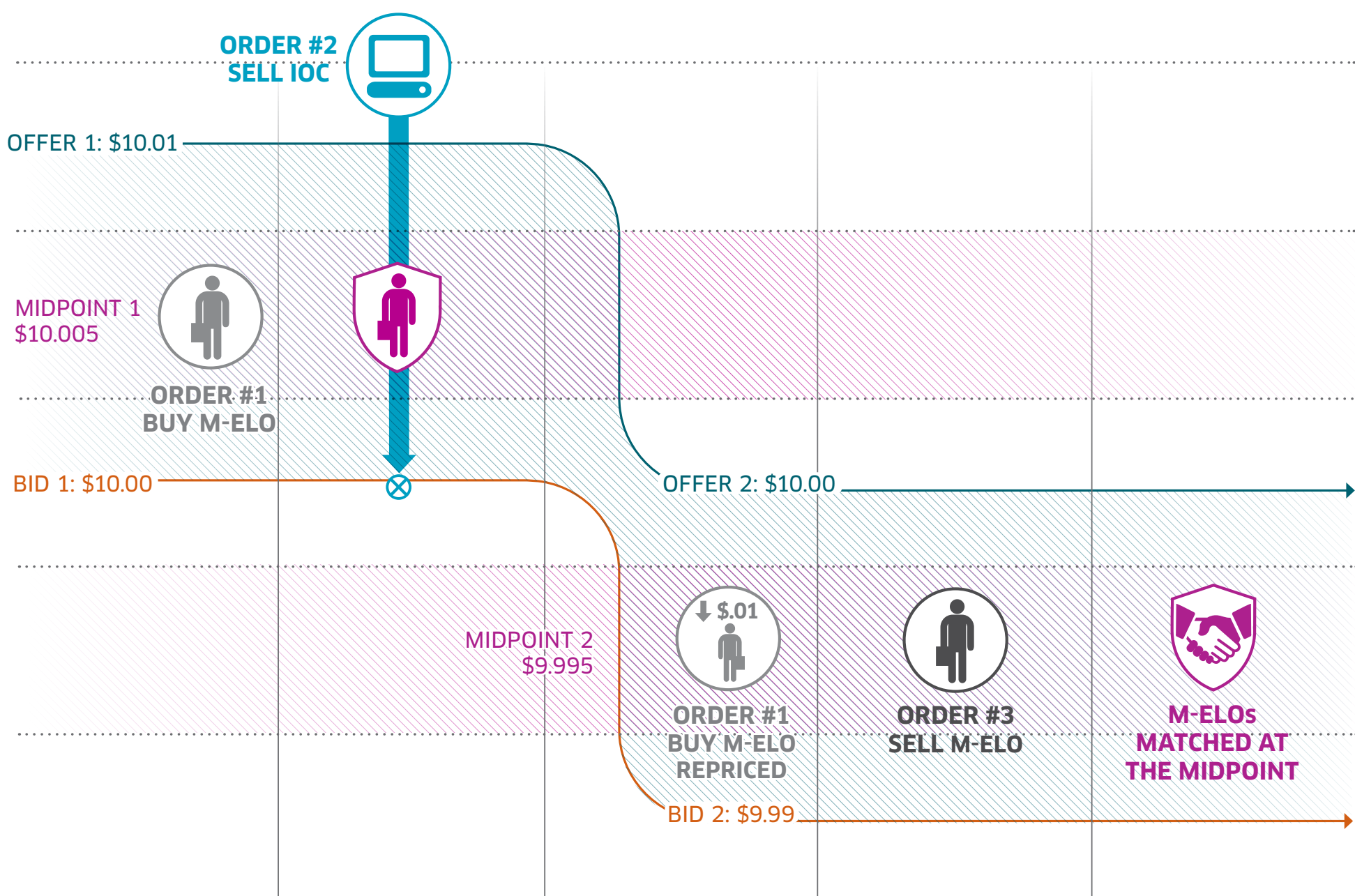
Midpoint ELO (M-ELO) is a new order type that is designed to attract and unite counterparties with longer-term investment horizons.

Via a new, patent-pending matching process, M-ELO orders will only execute against other M-ELO orders, ensuring the matching of like-minded investors on a broker-neutral exchange. Elegant in design, M-ELO orders are non-display and report to the tape as any other midpoint execution. Market participants can leverage existing exchange connectivity to use M-ELO, avoiding any costly technology or connectivity work. Nasdaq will introduce M-ELO in the first quarter of 2018, pending regulatory approval.

When an M-ELO order enters the book, it is held for a ½ second period before becoming executable.



Here is an example of a potential M-ELO interaction.



A Buy M-ELO order is received and after the ½ second waiting period is eligible for execution against other M-ELO orders

A marketable Sell IOC order sweeps the bids on the Nasdaq book, but does not execute against the protected M-ELO order

The NBBO changes and the Buy M-ELO order is updated to the new midpoint

A Sell M-ELO order is received

After the ½ second waiting period, the Sell M-ELO is eligible for execution. The Buy M-ELO order and the Sell M-ELO order execute at the midpoint