

November 1, 2017

REGISTRATION FOR THE NEW NFX MARKET QUALITY PROGRAM

Introduction

Nasdaq Futures, Inc. (NFX or the Exchange) is establishing a new Market Quality Program (MQP) which will commence on trade date November 1, 2017 through trade date October 31, 2018.

The purpose of the program is to support liquidity in the Designated Energy Products (as noted below) by incentivizing market participants to maintain quality bid/ask spreads across the nearby and forward Contract curves.

NFX invites Futures Participants, Authorized Customers and Customers to register for the MQP in the Designated Energy Products. Program participants will be able to compete for an incentive based upon the quality of the markets that they provide.

1. MQP Products

The following products (Designated Energy Products), both outright and spreads, will be included in the program:

Contract Name	NFX Symbol	Size	Reference Exchange	Reference Symbol
NFX Henry Hub Natural Gas Financial Futures – 10,000	HHQ	10,000mmBtu	CME	HH
NFX Brent Crude Financial Futures	BFQ	1,000bbl	ICE	B
NFX Low Sulphur Gasoil Financial Futures	GOQ	100mt	ICE	G
NFX WTI Crude Penultimate Financial Futures	TQ	1,000bbl	CME	CL

2. MQP Benefits

Registered MQP participants will compete for a daily incentive based upon the quality of their markets. Execution and clearing fees will be charged by the Exchange or the Clearing Corporation for any transactions in Designated Energy Products during the term of the program.

Registered MQP participants will be able to use all functionality in the NFX Trading System. The firm will be able to use both Orders as well as Quotes. Mass Quotes, Mass Quote Protection and Self-Match Prevention functionality is also available. An explanatory reference guide for these key concepts and services provided by NFX may be found here: business.nasdaq.com/futures.

3. MQP Requirements and Assessment Metrics

Registered MQP participants must be NFX Futures Participants, NFX Futures Participant's Authorized Customer or Customers capable of executing transactions on the NFX Trading System. MQP participants will be assessed based upon the following Central Limit Order Book activity:

- Percentage In Market – Percentage of time the MQP participant is active in the market (any bid or offer with any size);
- Percentage Compliant – Percentage of Time in Market for each monitored hour that a MQP participant has a two-sided market within the Max Spread and with at least the Min Size on both the bid and offer simultaneously;
- Max Spread – The maximum bid-offer spread required; and
- Min Size – The minimum bid-offer size required. When the size of the bid and offer differ, the smaller of two sizes will be used.

The result of the above is the calculation of an "MQP Compliance" figure for each MQP participant.

4. Eligibility for the Incentive

Only those MQP participants with a MQP Compliance of 50% or higher will be ranked and eligible for the incentive based upon their ranking. The total amounts available for outrights and spreads differ.

5. Reports

A report will be sent out each day summarizing a registered MQP participants' activity and incentive earned for the prior trade date. Firms will receive the incentive at the end of each month and will be sent a detailed monthly report.

6. Administration of Exchange and Clearing Fee Charges

Execution and clearing fees will be charged by the Exchange or the Clearing Corporation for any transactions in Designated Energy Products during the term of the program. Execution fees for MQ participants will be the same as the fees paid by Designated Market Makers.

All trading in the MQ program is subject to NFX rules and applicable law. Any trading activity that appears to be in violation of either will not count towards any assessment metrics under this program.

NFX reserves the right in its absolute discretion to terminate this MQP by way of a Futures Trader Alert announcing it has filed with the CFTC for termination of the program, and may announce another MQ Program in the future that may include the Designated Energy Products that are the subject of this MQ Program.