

(1) for orders in Nasdaq-listed securities, a bid or offer Quote/Order that is entered by a Nasdaq Quoting Market Participant or NNMS Order Entry Firm and is designated for display (price and size) on an anonymous basis in the Nasdaq Order Display Facility. UTP Exchanges may submit Non-Attributable Quote/Order(s) in conformity with Rule 4710(e).

(2) for orders in ITS Securities, a bid or offer Quote/Order that is entered by an ITS/CAES Market Maker and is designated for display (price and size) and/or execution on an anonymous basis in the Nasdaq Order Display Facility. NNMS Order Entry Firms shall be eligible to enter Non-Attributable orders in ITS Securities only if they are designated as Immediate or Cancel.

(p) The term *Non-Directed Order* shall mean an order that is entered into the system by an NNMS Participant and is not directed to any particular Quoting Market Participant or ITS Exchange, and shall also include Preferred Orders as described in subparagraph (aa) of this rule.

(q) The term *Non-Liability Order* shall mean for Nasdaq listed securities an order that when delivered to a Quoting Market Participant imposes no obligation to respond to such order under the Firm Quote Rule. For ITS Securities, only orders preferred to an ITS exchange can be non-liability orders.

(r) The term *Nasdaq National Market Execution System, NNMS, or system* shall mean the automated system owned and operated by The Nasdaq Stock Market, Inc. which enables NNMS Participants to execute transactions in active NNMS authorized securities; to have reports of the transactions automatically forwarded to the appropriate National Market Trade Reporting System, if required, for dissemination to the public and the industry, and to "lock in" these trades by sending both sides to the applicable clearing corporation(s) designated by the NNMS Participant(s) for clearance and settlement; and to provide NNMS Participants with sufficient monitoring and updating capability to participate in an automated execution environment.

(s) The term *NNMS eligible securities* shall mean designated Nasdaq-listed equity securities and ITS Securities as that term is defined in NASD Rule 5210(c).

(t) The term *NNMS ECN* shall mean a member of the Association that meets all of the requirements of NASD Rule 4623, and that participates in the NNMS with respect to one or more Nasdaq listed [NNMS eligible] securities.

(1) The term *NNMS Auto-Ex ECN* shall mean an NNMS ECN that participates in the automatic-execution functionality of the NNMS system, and accordingly executes Non-Directed Orders via automatic execution for the purchase or sale of an active Nasdaq listed [NNMS] security at the Nasdaq inside bid and/or offer price.

(2) The term *NNMS Order-Delivery ECN* shall mean an NNMS ECN that participates in the order-delivery functionality of the NNMS system, accepts delivery of Non-Directed Orders that are Liability Orders, and provides an automated execution of Non-Directed Orders (or an automated rejection of such orders if the price is no longer available) for the purchase or sale of an active Nasdaq listed [NNMS] security at the Nasdaq inside bid and/or offer price.

(u) The term *NNMS Market Maker* shall mean a member of the Association that is registered as a Nasdaq Market Maker and as a Market Maker for purposes of participation in NNMS with respect to one or more Nasdaq listed [NNMS eligible] securities, and is currently active in NNMS and obligated to execute orders through the automatic-execution functionality of the NNMS system for the purchase or sale of an active Nasdaq listed [NNMS] security at the Nasdaq inside bid and/or offer price.

(v) The term *NNMS Participant* shall mean an NNMS Market Maker, NNMS ECN, UTP Exchange, [or] ITS/CAES Market Maker, or NNMS Order Entry Firm registered as such with the Association for participation in NNMS.

(w) The term *NNMS Order Entry Firm* shall mean a member of the Association who is registered as an Order Entry Firm for purposes of entering orders in NNMS Securities into NNMS [participation in NNMS]. This term shall also include any Electronic Communications Network or Alternative Trading System that fails to meet all the requirements of Rule 4623. NNMS Order Entry Firms shall not charge any fee to a broker-dealer that accesses the NNMS Order Entry Firm's quote/order through NNMS.

(x) The term *Nasdaq Quotation Montage* shall mean the portion of the Nasdaq WorkStation presentation that displays for a particular stock two columns (one for bid, one for offer), under which is listed in price/time priority the [MMID] MPIDs for each NNMS Market Maker, NNMS ECN, and UTP Exchange registered in the stock and the corresponding quote (price and size) next to the related [MMID] MPID.

(y) The term *Nasdaq Quoting Market Participant* shall include only the following: (1) NNMS Market Makers;

[or] (2) NNMS ECNs[,] and (3) ITS/CAES Market Makers.

(z) The term *odd-lot order* shall mean an order that is for less than a normal unit of trading.

(aa) The term *Preferred Order* shall mean an order that is entered into the Non-Directed Order Process and is designated to be delivered to or executed against a particular Quoting Market Participant's Attributable Quote/Order if the Quoting Market Participant is at the best bid/best offer when the Preferred Order is the next in line to be executed or delivered. Preferred Orders shall be executed subject to the conditions set out in Rule 4710(b).

(bb) The term *Quote/Order* shall mean a single quotation or shall mean an order or multiple orders at the same price submitted to Nasdaq by a Nasdaq Quoting Market Participant or NNMS Order Entry Firm that is displayed in the form of a single quotation. Unless specifically referring to a UTP Exchange's agency Quote/Order (as set out in Rule 4710([f]e)(2)(b)), when this term is used in connection with a UTP Exchange, it shall mean the best bid and/or the best offer quotation transmitted to Nasdaq by the UTP Exchange.

(cc) The term *Quoting Market Participant* shall include any of the following: (1) NNMS Market Makers; (2) NNMS ECNs; [and] (3) UTP Exchange Specialists, and ITS/CAES Market Makers.

(dd) The term *Reserve Size* shall mean the system-provided functionality that permits a Nasdaq Quoting Market Participant or NNMS Order Entry Firm to display in its Displayed Quote/Order part of the full size of a proprietary or agency order, with the remainder held in reserve on an undisplayed basis to be displayed in whole or in part after the displayed part is reduced by executions to less than a normal unit of trading.

(ee) The term *Nasdaq Order Display Facility* shall mean the portion of the Nasdaq WorkStation presentation that displays, without attribution to a particular Quoting Market Participant's [MMID] MPID, the five best price levels in Nasdaq on both the bid and offer side of the market and the aggregate size of Attributable and Non-Attributable Quotes/Orders at each price level.

(ff) The term *UTP Exchange* shall mean any registered national securities exchange that elects to participate in the NNMS and that has unlisted trading privileges in Nasdaq National Market securities pursuant to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination Of Quotation and Transaction Information For Exchange-