

Listed Nasdaq/National Market System Securities Traded On Exchanges On An Unlisted Trading Privilege Basis ("Nasdaq UTP Plan").

(gg) The term *Legacy Quote* shall mean the quotation mechanism that existed in Nasdaq on or before July 1, 2002, and that does not permit the entry of Quotes/Orders at multiple price levels in the NNMS.

(hh) The term *Day* shall mean, for orders so designated, that if after entry into the NNMS, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution until market close (4 p.m. Eastern Time), after which it shall be returned to the entering party.

(ii) The term *Good-till-Cancelled* shall mean, for orders so designated, that if after entry into NNMS, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution until cancelled by the entering party, or until 1 year after entry, whichever comes first.

(jj) The term *End-of-Day* shall mean, for orders so designated, that if after entry into the NNMS, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential execution and/or display until market close (4 p.m. Eastern Time), and thereafter for potential execution until 6:30 p.m. Eastern Time, after which it shall be returned to the entering party. *End-of-Day orders shall not be available for ITS Securities.*

(kk) The term *Auto Ex* shall mean for orders in *Nasdaq listed securities* so designated, an order that will execute solely against the Quotes/Orders of NNMS Participants that participate in the automatic execution functionality of the NNMS and that do not charge a separate quote-access fee to NNMS Participants accessing their Quotes/Orders through the NNMS.

(ll) The term *Fill or Return* shall mean for orders in *ITS Securities* so designated, an order that is to be delivered to or executed by NNMS Participants without delivering the order to an ITS Exchange and without trading through the quotations of ITS Exchanges.

[(ll)] (mm) The term *Pegged* shall mean, for orders so designated, that after entry into the NNMS, the price of the order is automatically adjusted by NNMS in response to changes in the Nasdaq inside bid or offer, as appropriate. The price of a Pegged Order may be equal to the inside quote on the same side of the market (a Regular Pegged Order) or may be equal to a specified amount better than the inside

quote on the contra side of the market (a Reverse Pegged Order). The market participant entering a Pegged Order may (but is not required to) specify a cap price, to define a price at which pegging of the order will stop and the order will be converted into an un-pegged limit order. *Pegged Orders shall not be available for ITS Securities.*

(nn) The term *Discretionary* shall mean:

(1) for orders in *Nasdaq listed securities* so designated, an order that when entered into NNMS has both a displayed bid or offer price, as well as a non-displayed discretionary price range in which the participant is also willing to buy or sell, if necessary. The display price may be fixed, or pegged to the inside quote on the same side of the market (or a specified amount better than the inside quote on the contra side of the market if designated as a short sale order), and the pegging of the discretionary order may be capped in the same manner as a pegged order.

(2) for orders in *ITS Securities* so designated, an order that when entered into NNMS has both a displayed bid or offer price, as well as a non-displayed discretionary price range in which the participant is also willing to buy or sell, if necessary. *The display price must be fixed. A Discretionary Order in an ITS Security may not result in a quote that locks or crosses the national best bid and offer and shall not be executed at a price that trades through the quotation of an ITS Exchange unless it is designated as a Sweep Order.*

(oo) The term *Summary* shall mean, for orders so designated, an order that if marketable upon entry and receipt by NNMS, shall be rejected and returned to the entering party.

(pp) The term *ITS/CAES Market Maker* shall mean a member of the Association that is registered as an *ITS/CAES Market Maker* as defined in NASD Rule 5210(e) and as a *Market Maker* for purposes of participation in NNMS with respect to one or more *ITS Securities*, and is currently active in NNMS. *ITS/CAES Market Makers shall be permitted to execute orders in ITS Securities through the automatic execution or order delivery functionality of the NNMS system for the purchase or sale of active ITS Securities.*

(qq) The term *ITS Exchange* shall mean a national securities exchange that participates in the ITS system as defined in Rule 5210(a). *ITS Exchanges shall not be eligible to participate in the NNMS. ITS Commitments sent by ITS Exchanges shall be processed by the system in accordance with the ITS Plan and all applicable NASD rules governing the participation in ITS.*

Quotes/Orders that are eligible for ITS will be processed by the system and delivered to the appropriate ITS Exchange as an ITS Commitment in accordance with the requirements of the ITS Plan and all applicable NASD rules.

(rr) The term *Sweep Order* shall mean, for orders in *ITS Securities* so designated, an order that may be delivered to or executed by NNMS Participants at multiple price levels.

(ss) The term *Total Day* shall mean, for orders so designated, that if after entry into the NNMS, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display between 7:30 a.m. and 6:30 p.m. and for potential execution between market open and 6:30 p.m., after which it shall be returned to the entering party.

(tt) The term *Total Good-till-Cancelled* shall mean, for orders so designated, that if after entry into NNMS, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display between 7:30 a.m. and 6:30 p.m. and for potential execution between market open and 6:30 p.m., until cancelled by the entering party, or until 1 year after entry, whichever comes first.

(uu) The term *Total Immediate or Cancel* shall mean, for limit orders so designated, that if after entry into the NNMS a marketable limit order (or unexecuted portion thereof) becomes non-marketable, the order (or unexecuted portion thereof) shall be canceled and returned to the entering participant. Such orders are available for potential execution between 9:30 a.m. and 6:30 p.m.

4705. NNMS Participant Registration

(a) Participation in NNMS as an NNMS Market Maker requires current registration as such with the Association. Such registration shall be conditioned upon the NNMS Market Maker's initial and continuing compliance with the following requirements:

(1) Execution of an NNMS Participant application agreement with the Association;

(2) Membership in, or access arrangement with a participant of a clearing agency registered with the Commission that maintains facilities through which NNMS compared trades may be settled;

(3) Registration as a market maker in The Nasdaq Stock Market pursuant to the Rule 4600 Series and compliance with all applicable rules and operating procedures of the Association and the Commission;