

NASDAQ OMX NLX Market Memo: 004-14

Issue Date: July 8th 2014

Effective Date: July 14th 2014

NLX Incentive Scheme

Effective August 19th 2013, NLX introduced an incentive scheme detailed in Market Notice 005-13 and amended in Market Memo 001-14. The incentive scheme is reviewed and amended periodically to account for the successful development of the NLX market. This Market Memo serves to notify Participants of amendments to this scheme following such review.

For avoidance of doubt, this remains available to all Participants trading on NLX.

The short-end incentive

Qualification

There are two qualification periods in each trading day, and therefore two short-end incentives: the STIR a.m. scheme; and the STIR p.m. scheme.

The STIR a.m. scheme shall be available to any firm (a 'STIR a.m. Qualifying Participant') which, during the preceding week:

- a) Has executed at least 5,000 lots in total across Euribor® and Sterling futures, between 07:30 and 13:30 (UK);
- b) Has executed at least 2,500 lots of this target each day in at least four expiries outside of the front four; and
- c) Ranks in the top five STIR a.m. Qualifying Participants in executed lots between 07:30 and 13:30 during that week.

The STIR p.m. scheme shall be available to any firm (a 'STIR p.m. Qualifying Participant') which, during the preceding week:

- a) Has executed at least 5,000 lots in total across Euribor® and Sterling futures each between 13:30 and 17:30;
- b) Has executed at least 2,500 lots of this target each day in at least four expiries outside of the front four; and

c) Ranks in the top five STIR p.m. Qualifying Participants in executed lots between 13:30 and 17:30.

The Incentive

£18,000 per week shall be split between the STIR a.m. Qualifying Participants pro-rata in line with the number of lots executed (as detailed below), subject to a volume limit and weighting (see below).

£18,000 per week shall be split between the STIR p.m. Qualifying Participants pro-rata in line with the number of lots executed (as detailed below), subject to a volume limit and weighting (see below).

Each Qualifying Participant will be capped at 35% of the total amount payable in each scheme.

Participants can qualify for both the STIR a.m. and STIR p.m. schemes.

Volume Limit

On each day, if a Qualifying Participant executes more than 30% of their total STIR a.m. or p.m. volume in any one hour* of the a.m. or p.m. scheme, this excess volume above 30% will not be counted towards their total for the purposes of the pro-rata allocation.

*An 'hour' shall correspond to a full hour from the start of each scheme and not rolling hours (e.g. 11:30 to 12:30, not 11:05 to 12:05).

Weighting

For the purposes of calculating the pro-rata allocation of incentives, outright trades executed in the front 12 expiries will be given a weighting of 200%.

The amendments to this incentive are effective from Monday July 14th 2014 and shall continue until the earlier of Friday July 10th 2015 or notification by Market Memo of termination or amendment.

For further details about this NASDAQ OMX NLX Memo, please contact:

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