

Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

Rule 11.190. Orders and Modifiers

(a) General Order Types.

(1)-(2) No Change.

(3) Pegged Order. A non-displayed order that upon entry into the System and while resting on the Order Book, is pegged to a reference price based on the NBBO and the price of the order is automatically adjusted by the System in response to changes in the NBBO. A User can specify to peg the order to one of the following reference prices: one (1) MPV less aggressive than the primary quote (i.e., the NBB for buy orders and NBO for sell orders) while resting, and available for execution against opposing orders to its discretionary price (i.e., from the resting price to the primary quote) ("primary peg"); the midpoint of the NBBO ("midpoint peg"); or the midpoint of the NBBO upon entry, the inside quote on the same side of the market while resting, and available for execution against opposing orders within its discretionary range (i.e. from the resting price to the Midpoint Price or the order's limit, whichever is less aggressive) at a price that uses the minimum amount of discretion necessary to execute the order against an active order ("Discretionary Peg"); the primary quote plus or minus an offset amount ("Offset Peg"). A pegged order may have a limit price beyond which the order shall not be executed. A midpoint pegged order[,] or a Discretionary Peg order[or an Offset Peg order] may be executed in sub-pennies if necessary to obtain a Midpoint Price. A pegged order:

- (A) May have any TIF described in paragraph (c) of this IEX Rule. [Primary peg and]Offset Peg orders may not have a TIF of IOC or FOK.
- (B)-(D) No change.
- (E) May only trade during the Regular Market Session. Pegged orders submitted in the Pre-Market Session may queue for the Opening Process as defined below. Pegged orders submitted during the Post-Market Session will be rejected by the System.
 - (i) Pegged orders marked IOC are rejected during the Pre-Market Session and Post-Market Session. Pegged orders (except for [Primary peg and]Offset Peg orders) marked IOC are accepted and eligible to trade during the Regular Market Session. [Primary peg and]Offset Peg orders

marked IOC are always rejected.

(ii) Pegged orders marked FOK are rejected during the Pre-Market Session and Post-Market Session[(except for Primary peg and Offset Peg orders)]. Pegged orders (except for Offset Peg orders) marked FOK are accepted and eligible to trade during the Regular Market Session. [Primary peg and]Offset Peg orders marked FOK are always rejected.

(iii)-(vi) No change.

(F)-(G) No change.

(4) No change.

(b) Order Parameters.

(1) No Change.

(2) Reserve Order. An order with a portion of the quantity displayed (“display quantity”) and with a non-displayed reserve portion of the quantity (“reserve quantity”). The User instructed display quantity may be a fixed or random number of shares; and an odd, mixed, or round lot quantity. An incoming reserve order is first processed as a single order of its full, unexecuted share size as it checks the Order Book for eligible resting contra interest. If it is not fully executed, it will be posted to the Order Book and effectively be treated as two discrete orders: one displayed for the User instructed fixed or random replenishments quantity (“displayed portion”), and one non-displayed for all other remaining, unexecuted shares (“non-displayed portion”). For the purposes of pricing reserve orders on the Order Book, displayed portions are treated as displayed orders and non-displayed portions are treated as non-displayed orders. As described in IEX Rule 11.190(h), it is possible for the non-displayed portion to rest at a different price than the displayed portion, since the non-displayed portion is subject to non-displayed price sliding[the Midpoint Price Constraint] while the displayed portion is subject to display-price sliding. The User must specify a base display quantity (“Max Floor”) and may enter a replenishment value as described in subparagraph (2)(A) of this Rule 11.190(b). If the reserve order has a Max Floor of at least one round lot and the displayed portion of the reserve order is decremented such that less than one round lot would be displayed, the displayed portion of the reserve order shall be replenished from the non-displayed portion pursuant to subparagraph (2)(A) of this Rule 11.190(b) (the “replenishment process”) or by the entire reserve quantity, if the total number of unexecuted shares in the order is smaller than the replenishment quantity determined by the replenishment process. If a reserve order has a Max Floor that is less than a round lot, and the displayed portion of the reserve order is decremented to zero shares, the displayed portion of the reserve order shall be replenished from the non-displayed

portion pursuant to the replenishment process, or by the entire reserve quantity, if the total number of unexecuted shares in the order is smaller than replenishment quantity determined by the replenishment process. Each time the displayed portion of the order is replenished from the reserve quantity, that portion is prioritized behind other existing displayed orders; the priority of the non-displayed portion, however, is unchanged by the replenishment process. A reserve order has the following attributes:

- (3) Non-Displayed Order. An order for which no portion is displayed on the Exchange. A non-displayed order:
- (A)-(H) No change
 - (I) Is eligible to be invited by the System to Recheck as described in IEX Rule 11.230(a)(4)(D)[, except in the case of primary peg orders].
- (4)-(7) No change.
- (8) Primary Peg Order. A pegged order that upon entry and when posting to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1) MPV less aggressive than the primary quote (i.e. the NBB for buy orders and NBO for sell orders) or the order's limit price, if any. While resting on the Order Book, the order is automatically adjusted by the System in response to the changes in the NBB (NBO) for buy (sell) orders up (down) to the order's limit price, if any. In order to meet the limit price of active orders on the Order Book, a primary peg order will exercise price discretion to its discretionary price (defined as the primary quote), except during periods of quote instability as defined by paragraph (g) below or where the primary peg order is resting at its limit price, if any. When exercising price discretion, a primary peg order maintains time priority at its resting price and is prioritized behind any non-displayed interest resting at the discretionary price for the duration of that book processing action. If multiple primary peg orders are exercising price discretion during the same book processing action, they maintain their relative time priority at the discretionary price. A primary peg order:
- (A) No change.
 - (B) May[Must] have any TIF [of DAY, GTT, GTX, or SYS, as]described in IEX Rule 11.190(a)(3).
 - (C)-(I) No change.
 - (J) [Is not eligible to be invited by the System to Recheck as described in IEX Rule 11.230(a)(4)(D).] Is eligible to be invited by the System to Recheck the Order Book to trade against eligible resting contra-side interest as described in IEX Rule 11.230(a)(4)(D).

(K) No change.

(i)-(ii) No change.

- (9) Midpoint Peg Order. A pegged order that upon entry and when posting to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of the Midpoint Price or the order's limit price, if any. While resting on the Order Book, the order is automatically adjusted by the System in response to changes in the midpoint of the NBBO as allowed by the order's limit price, if any. A midpoint peg order:

(A)-(I) No Change.

(J) Is e[E]ligible to be invited by the System to Recheck the Order Book to trade against eligible resting contra-side interest [resting at the Midpoint Price]as described in IEX Rule 11.230(a)(4)(D).

- (10) Discretionary Peg Order. A pegged order that upon entry into the System, the price of the order is automatically adjusted by the System to be equal to the less aggressive of the Midpoint Price or the order's limit price, if any. When unexecuted shares of such order are posted to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1) MPV less aggressive than the primary quote (i.e., the NBB for buy orders and NBO for sell orders) or the order's limit price and is automatically adjusted by the System in response to changes in the NBB (NBO) for buy (sell) orders up (down) to the order's limit price, if any. In order to meet the limit price of active orders on the Order Book, a Discretionary Peg order will exercise the least amount of price discretion necessary from the Discretionary Peg order's resting price to its discretionary price (defined as the less aggressive of the Midpoint Price or the Discretionary Peg order's limit price, if any, or as set forth in IEX Rule 11.190(h)(2)(B)), except during periods of quote instability as defined in paragraph (g) below when a Discretionary Peg order is only eligible to trade at its resting price. When exercising price discretion, a Discretionary Peg order maintains time priority at its resting price and is prioritized behind any non-displayed interest at the discretionary price for the duration of that book processing action. If multiple Discretionary Peg orders are exercising price discretion during the same book processing action, they maintain their relative time priority at the discretionary price. A Discretionary Peg order:

(A)-(I) No Change.

(J) Is eligible to be invited by the System to Recheck the Order Book to trade against eligible resting contra-side interest [resting at the Midpoint Price]as described in IEX Rule 11.230(a)(4)(D).

(K) No change.

(i)-(ii) No change.

(11) Minimum Quantity Order (“MQTY”). A non-displayed, non-routable order which must have at least the minimum indicated share size satisfied in order to execute. Upon order entry or order amendment by the User the “effective minimum quantity” of an order is equal to the lesser of the submitted minimum quantity or the total share size of the order. A MQTY:

(A)-(F) No change.

(G) Based on User instruction, the Exchange utilizes one of the following methods to determine satisfaction of the minimum quantity parameter for an order:

(i)-(ii) No change.

(iii) When a MQTY is active (i.e. an active order).

(a)-(b) No change.

(c) Any incoming MQTY order that would otherwise be executable against a resting non-displayed order but for the MQTY order’s specific conditions will be booked and ranked by the System at the less aggressive of the incoming MQTY order’s limit price, if any, or the contra-side protected quotation (i.e. the NBO for buy orders and NBB for sell orders) unless the Exchange’s Protected Bid (for offers) or Protected Offer (for bids) is equal to the current NBB (for offers) or current NBO (for bids), in which case the incoming MQTY order is booked and ranked on the Order Book non-displayed one (1) MPV below the current NBO (for bids) or one (1) MPV above the current NBB (for offers).

(iv) When a MQTY is resting on the Order Book (i.e. a resting order).

(a) No change.

(b) Any incoming MQTY order that would otherwise be executable against the resting MQTY order, but for either MQTY order’s specific conditions, will be booked and ranked by the System at the less aggressive of the incoming MQTY order’s limit price, if any, or the contra-side protected quotation (i.e. the NBO for buy orders and NBB for sell orders). Such order will not be eligible to trade at a

price above (below) any non-displayed sell (buy) orders that are priced below (above) the price of such MQTY order. If the Exchange's Protected Bid (for offers) or Protected Offer (for bids) is equal to the current NBB (for offers) or current NBO (for bids), the incoming MQTY order will be booked and ranked on the Order Book non-displayed one (1) MPV below the current NBO (for bids) or one (1) MPV above the current NBB (for offers).

- (H) No change.
- (12) No change.
- (13) Offset Peg Order. A pegged order that upon entry and when posting to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of the primary quote (i.e. the NBB for buy orders and NBO for sell orders) plus or minus an offset amount or the order's limit price, if any. While resting on the Order Book, (i) a buy order is automatically adjusted by the System in response to the changes in the NBB plus or minus the offset amount up to the order's limit price, if any; and (ii) a sell order is automatically adjusted by the System in response to changes in the NBO plus or minus the offset amount down to the order's limit price, if any. An Offset Peg order:
- (A)-(K) No change.
- (L) May be submitted with an offset amount that is either aggressive or passive compared to the primary quote. If the offset amount would result in the price of an Offset Peg order being more aggressive than the contra-side protected quotation, the offset amount will be reduced so that the order is booked and ranked on the Order Book non-displayed at the contra-side protected quotation (i.e. the NBO for buy orders and NBB for sell orders), unless the Exchange's Best Bid (for offers) or Best Offer (for bids) is equal to the current NBB (for offers) or current NBO (for bids), in which case the order is booked and ranked on the Order Book non-displayed one (1) MPV below the current NBO (for bids) or one (1) MPV above the current NBB (for offers), as set forth in IEX Rule 11.190(h)(2).[Midpoint Price, the offset amount will be reduced so that the order is priced at the Midpoint Price] until such time as the full value of the offset amount will not result in the price of the Offset Peg order being more aggressive than the [Midpoint Price]contra-side protected quotation, except when the order is an active order. [If the offset amount would result in the price of an Offset Peg order being in an increment smaller than specified in IEX Rule 11.210, the price of a buy order will be rounded down and the price of a sell order will be rounded up to the nearest permissible increment.]If no offset amount is specified, the System will consider the offset amount to be zero.

• • • **Supplementary Material** • • •

.01 Reserve Orders

As stated in paragraph (b)(2) of this IEX Rule, if a reserve order is not fully executed on entry, it will be posted to the Order Book and effectively treated as two discrete orders: one displayed quantity based on the replenishment options set forth in paragraph (b)(2)(A) of this IEX Rule (“displayed portion”), and one non-displayed quantity for all other remaining, unexecuted shares (“non-displayed portion”). For the purposes of pricing reserve orders on the Order Book, displayed portions are treated as displayed orders and non-displayed portions are treated as non-displayed orders. As described in IEX Rule 11.190(h), it is possible for the non-displayed portion of a reserve order to rest at a different price than the displayed portion of the reserve order, since the non-displayed portion is subject to non-displayed price sliding[the Midpoint Price Constraint] while the displayed portion is subject to display-price sliding.

[D-Limit reserve orders function like any other reserve order, except they can only trade during the Regular Market Session, and if a D-Limit reserve order has been subject to an automatic price adjustment pursuant to paragraphs (b)(7)(C) and (D) of this IEX Rule, both the displayed and non-displayed portions of the D-Limit reserve order will continue to be ranked and displayed (in the case of the displayed portion) at the adjusted price. The adjusted price functions as an effective limit price for both the displayed and non-displayed portions of the D-Limit reserve order if one or both portions of the D-Limit reserve order are subsequently price adjusted pursuant to the Price Sliding provisions of paragraph (h) of this IEX Rule.]

For example, NBBO is \$10.01 x \$10.02, and IEX does not have any orders resting at the NBBO.

IEX receives a non-routable, reserve DAY buy order for 1000 shares with a limit of \$10.02 and a User instructed display quantity of [200]50 shares. After testing the Order Book at \$10.02 and receiving no execution, the order is split into the displayed portion, a displayed DAY buy order for [200]50 shares with a limit of \$10.02, and the non-displayed portion, a non-displayed DAY buy order for 950[800] shares with a limit of \$10.02. The displayed portion, subject to display-price sliding, is booked and ranked on the Order Book displayed at a price equal to one (1) MPV below the current NBO, which is \$10.01. The non-displayed portion, subject to non-displayed price sliding[the Midpoint Price Constraint], is booked and ranked on the Order Book non-displayed at a price equal to the NBO[new Midpoint Price], which is \$10.0[15]2.

D-Limit reserve orders function like any other reserve order, except they can only trade during the Regular Market Session, and if a D-Limit reserve order has been subject to an automatic price adjustment pursuant to paragraphs (b)(7)(C) and (D) of this IEX Rule, both the displayed and non-displayed portions of the D-Limit reserve order will continue to be ranked and displayed (in the case of the displayed portion) at the adjusted price. The adjusted price functions as an effective limit

price for both the displayed and non-displayed portions of the D-Limit reserve order if one or both portions of the D-Limit reserve order are subsequently price adjusted pursuant to the Price Sliding provisions of paragraph (h) of this IEX Rule.

.02 Priority of Non-Display Portions of Reserve Orders

No Change.

.03 Minimum Quantity Orders

Composite. When taking liquidity, minimum quantity size for a MQTY marked Composite is satisfied by one or more orders on the IEX Book, provided the amount traded in aggregate will at least equal the order's effective minimum quantity. For a resting MQTY marked Composite, if the specified minimum quantity of shares is not satisfied by a given contra side active order, the order will surrender its priority position only for the duration of processing said active order against the Order Book.

For example, NBBO is \$10.01 x \$10.02. IEX PBBO is \$10.01 x \$10.03.

IEX receives three non-routable, non-displayed DAY sell orders: the first order, ORDER#1, for 200 shares with a limit of \$10.02 is booked and ranked at the offer; the second order, ORDER#2, for 400 shares with a limit of \$10.02, joins the offer at IEX and is ranked behind ORDER#1; the third order, ORDER#3, for 500 shares with a limit of \$10.02, joins the offer at IEX and is ranked behind ORDER#2.

Next, IEX receives a non-routable, non-displayed DAY buy MQTY for 7,500 shares marked Composite with a limit price of \$10.02 and minimum quantity size of 1,000 shares, ORDER#4. Since the aggregate size of all three sell orders exceeds the minimum quantity size of ORDER#4, three discrete executions representing a cumulative 1,100 shares occur in one single atomic action, i.e. a single book processing action, in which ORDER#4 removes the resting sell interest. The first execution is for 200 shares at \$10.02, which fully fills the oldest resting sell limit order on the offer, ORDER#1. The second execution is for 400 shares at \$10.02, and fully fills the next oldest resting sell limit order on the offer, ORDER#2. The third execution is for 500 shares at \$10.02, and fully fills the youngest resting sell limit order on the offer, ORDER#3. As a result of this event, ORDER#4 is decremented to a quantity of 6,400 shares from the original 7,500 shares and booked at its limit price, \$10.02.[the Midpoint Price.]

MinExec with Cancel Remaining. When taking liquidity, minimum quantity size for a MQTY marked MinExec with Cancel Remaining must be satisfied by each order on the IEX Book that will execute against the MQTY. If the active MQTY reaches a resting order that would trade with it, but such order does not satisfy its minimum quantity size, the MQTY will post to the IEX Book or be cancelled back to the User as per the order's TIF instructions.

For example NBBO is \$10.01 x \$10.02.

IEX receives ORDER#1, a DAY midpoint peg buy MQTY for 900 shares marked MinExec with Cancel Remaining with a limit price of \$10.05 and minimum quantity size of 500 shares. ORDER#1 is booked and ranked at the Midpoint Price, \$10.015.

IEX receives a DAY midpoint peg sell order for 200 shares with a limit price of \$9.99, ORDER#2, which is booked at the prevailing Midpoint Price of \$10.015.

IEX receives another DAY midpoint peg sell order for 600 shares with a limit price of \$10.00, ORDER#3. Order #3 will execute 600 shares against Order #1 because it meets the minimum quantity requirement of Order #1. The remaining 300 shares of Order #1 will cancel back to the User.

MinExec with AON Remaining. The only variation in behavior between MinExec with Cancel Remaining and AON Remaining in the example above is that ORDER#1's 300 remaining shares would remain on the Order Book and be treated as having an effective minimum quantity of 300 shares.

(14)-(15) No change.

(16) **Corporate Discretionary Peg Order.** A Discretionary Peg buy order that upon entry into the System, the price of the order is automatically adjusted by the System to be equal to the less aggressive of the Midpoint Price, the consolidated last sale price, or the order's limit price, if any. When unexecuted shares of such order are posted to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1) MPV less than the NBB, the consolidated last sale price, or the order's limit price and is automatically adjusted by the System in response to changes in the NBB and consolidated last sale price up to the order's limit price, if any (the order's "resting price"). In order to meet the limit price of active orders on the Order Book, a Corporate Discretionary Peg order will exercise the least amount of price discretion necessary from the order's resting price to its discretionary price (defined as the less aggressive of the Midpoint Price, consolidated last sale price, or the order's limit price, if any, or as set forth in IEX Rule 11.190(h)(2)(B)), except during periods of quote instability as defined in paragraph (g) below when a Corporate Discretionary Peg order is only eligible to trade at its resting price. When exercising price discretion, a Corporate Discretionary Peg order maintains time priority at its resting price and is prioritized behind any non-displayed interest at the discretionary price for the duration of that book processing action. If multiple Corporate Discretionary Peg orders are exercising price discretion during the same book processing action, they maintain their relative time priority at the discretionary price. A Corporate Discretionary Peg order:

- (A)-(I) No Change.
- (J) Is eligible to be invited by the System to Recheck the Order Book to trade against eligible resting contra-side interest [resting at the Midpoint Price] as described in IEX Rule 11.230(a)(4)(D).
- (K) No Change.
- (17) No change.
- (c)-(g) No change.
- (h) Price Sliding. The System will process orders pursuant to the “price sliding process,” which includes the following:
- (1) Display-Price Sliding.
- (A)-(C) No change.
- (2) Non-Displayed Price Sliding[(“Midpoint Price Constraint”)]. A non-displayed limit order posting to the Order Book which has a limit price more aggressive than the NBO (NBB) for bids (offers)[Midpoint Price] is booked and ranked on the Order Book non-displayed at the contra-side protected quotation (i.e. the NBO for buy orders and NBB for sell orders), unless the Exchange’s Best Bid (for offers) or Best Offer (for bids) is equal to the current NBB (for offers) or current NBO (for bids), in which case the order is booked and ranked on the Order Book non-displayed one (1) MPV below the current NBO (for bids) or one (1) MPV above the current NBB (for offers) (“non-displayed price sliding”)[a price equal to the Midpoint Price]. To reflect changes to the NBBO, the order is automatically re-priced by the System in response to changes in the NBBO to be equal to the less aggressive of the order’s limit price or the [Midpoint Price]contra-side protected quotation, unless the Exchange’s Best Bid (for offers) or Best Offer (for bids) is equal to the current NBB (for offers) or current NBO (for bids), in which case the order is automatically repriced to the less aggressive of the order’s limit price or one (1) MPV below the current NBO (for bids) or one (1) MPV above the current NBB (for offers). Notwithstanding the foregoing, if a contra-side displayed odd lot order is booked and ranked on the Order Book at a price greater than or equal to the NBB (for bids) and less than or equal to the NBO (for offers)[at a price equal to or more aggressive than the Midpoint Price]:
- (A) Any incoming non-displayed order or non-displayed order resting on the Order Book (except for Discretionary Peg or Corporate Discretionary Peg orders) that would otherwise be executable against the contra-side displayed odd lot order, but for the non-displayed order’s specific conditions, will be booked and ranked by the System at one (1) MPV less aggressive than the price of the contra-side

displayed odd lot order.

- (B) Any resting Discretionary Peg or Corporate Discretionary Peg order that would otherwise be executable against the contra-side displayed odd lot order, but for the Discretionary Peg or Corporate Discretionary Peg order's specific conditions, will be booked and ranked by the System in the manner set forth in Rule 11.190(b)(10) or Rule 11.190(b)(16), respectively, but the discretionary price of the order will be the less aggressive of the limit price, if any, or one (1) MPV less aggressive than the price of the contra-side displayed odd lot order.
- (3) Locked and Crossed Markets
- (A)-(B) No change.
- (C) In the event that the market becomes locked, the System will observe the following practices for non-displayed orders:
- (i)-(ii) No change.
- (iii) In the event that the market becomes locked, Offset Peg orders are not eligible to trade and an Offset Peg order that would otherwise be eligible to trade against an active order will surrender its precedence on the Order Book for the duration of the System processing the current active order, pursuant to IEX Rule 11.220(a)(5). Offset Peg orders resting on or posting to the Order Book while the market is locked are priced at the less aggressive of the locking price plus or minus an offset amount or the order's limit price, if any. However, an Offset Peg with an offset amount that would otherwise result in the order being priced more aggressive than the locking price will be priced at the locking price pursuant to non-displayed price sliding[the Midpoint Price Constraint].
- (D) In the event that the market becomes crossed, the System will observe the following practices for non-displayed orders:
- (i) In the event the market becomes crossed, the Exchange shall consider the Midpoint Price indeterminable. Midpoint peg orders, Discretionary Peg orders, [Offset Peg]Corporate Discretionary Peg orders and non-displayed orders [that would otherwise be subject to Midpoint Price Constraint, pursuant to paragraph (2) above,]will be priced by the System to be no more aggressive than the crossing price, the lowest Protected Offer for buy orders and the highest Protected Bid for sell orders.
- (ii)-(iii) No change.
- (4) Short Sale Price Sliding. The re-pricing described in this sub-paragraph constitutes "short sale price sliding" for short sale orders.

- (A)-(B) No change.
- (C) A [displayable]short sale order not marked short exempt that, at the time of entry, could not be executed or displayed in compliance with Rule 201 of Regulation SHO will be repriced and ranked by the System on the Order Book [displayed]at a price equal to one MPV above the current NBB (the “Permitted [Display]Price”). To reflect declines in the NBB, the System will continue to re-price a resting [displayed]short sale order not marked short exempt to be equal to the higher of the order’s limit price or the[a] Permitted [Display]Price. In the event the NBB changes such that the price of a non-displayed Order subject to Rule 201 of Regulation SHO would lock or cross the NBB, the order will receive a new timestamp, and will be re-priced by the System at the Permitted Price.
- (D) No change.
- (E) A non-displayable short sale order not marked short exempt that, at the time of entry, could not be executed in compliance with Rule 201 of Regulation SHO will be repriced and ranked by the System on the Order Book non-displayed pursuant to the Midpoint Price Constraint at the current Midpoint Price (“Permitted Non-Displayed Book Price”). In situations where the current Midpoint Price is equal to the NBB (i.e. a locked market) or the market is crossed, the Permitted Non-Displayed Book Price will be equal the Permitted Display Price. During a Short Sale Period, non-displayed short sale orders not marked short exempt (including non-displayed portions of short sale reserve orders not marked short exempt) resting on the Order Book that become locked or crossed by the NBB will be repriced by the System at a Permitted Non-Displayed Book Price. To reflect declines in the NBB, the System will continue to re-price a resting non-displayed short sale order not marked short exempt to be equal to the higher of the order’s limit price or a Permitted Non-Displayed Book Price.]
- (E[F]) During a Short Sale Period, orders marked "short exempt" will not be subject to short sale price sliding. The System will accept orders marked "short exempt" at any time when the System is open for order entry, regardless of whether the Short Sale Price Test has been triggered.

(5) No change.

Rule 11.220 Priority of Orders

(a)-(b) No change.

• • • Supplementary Material • • •**.01 Surrendering Precedence**

Scenario #1: In the event a resting order having precedence on the Order Book cannot be executed due to its specific conditions, the resting order surrenders its precedence in the Order Book only for the duration of the System processing the current active order.

For example, NBBO is \$10.01 x \$10.02.

IEX receives ORDER#1, a midpoint peg buy MQTY marked MinExec with Cancel Remaining for 1,000 shares with a minimum quantity size of 400 shares. ORDER#1 is booked and ranked at the Midpoint Price, \$10.015.

IEX receives ORDER#2, a second midpoint peg buy order for 500 shares, which is also booked and ranked at the Midpoint Price behind ORDER#1.

IEX receives ORDER#3, a sell limit order for 300 shares with a limit price of \$10.01. ORDER#1, the resting MQTY, surrenders precedence, because it cannot execute against the active order due to its minimum quantity condition. However, ORDER#3, the active sell limit order, executes 300 shares against next ranked order to buy, ORDER#2.

Scenario #2: In the event a resting order having precedence on the Order Book cannot be executed due to the active order's specific conditions, that resting order does not surrender its precedence, and the active order stops executing for this book processing action.

For example, NBBO is \$10.01 x \$10.02.

Resting on the Order Book are the following orders ranked in their respective order: (1) ORDER#1, buy limit order on the bid for 2,000 shares, (2) ORDER#2, buy limit order on the bid for 1,000 shares, and (3) ORDER#3, buy limit order on the bid for 2,000 shares.

IEX receives ORDER#4, a midpoint peg [an IEX Only marketable] sell MQTY for 5,000 shares marked MinExec with AON Remaining with a minimum quantity size of 2,000 shares. ORDER#4 executes 2,000 shares against ORDER#1, but ORDER#2 does not meet the active order's condition (2,000 share minimum quantity size), so IEX posts the remaining 3,000 shares of ORDER#4 at the Midpoint Price.

Rule 11.230 Order Execution

Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this IEX Rule 11.230.

- (a) **Execution Against the IEX Order Book.** For purposes of this IEX Rule 11.230 any order falling within the parameters of this paragraph shall be referred to as "executable." An order will be canceled back to the User if, based on market conditions, User instructions, applicable IEX Rules and/or the Act and the rules and regulations thereunder, such order

is not executable, cannot be routed to an away trading center pursuant to IEX Rule 11.230(b)(2) below and cannot be posted to the Order Book.

(1)-(3) No change.

(4) Execution against the IEX Order Book. An incoming non-routable order will attempt to be matched for execution against orders in the Order Book, as described below.

(A)-(B) No change.

(C) Consistent with Rule 11.190, orders are permitted to post non-displayed and rest non-displayed on the Order Book at prices that lock contra-side liquidity of the protected quotation of an away market (i.e. the NBO for buy orders and NBB for sell orders) so long as IEX does not have a protected quotation at the same price[at the Midpoint Price], provided, however, that the System will never display a locked market. Subject to sub-paragraph (A) or (B) above, if an incoming order would execute [at the Midpoint Price,] against contra-side resting liquidity that [is]would otherwise lock[ing] the NBB or NBO[Midpoint Price], the orders may execute [against the incoming order]if the resting order(s)' conditions are met.[Lastly, orders are never permitted to post non-displayed nor rest non-displayed on the Order Book at prices that cross contra-side liquidity.]

(D) Order Execution Recheck (“Book Recheck” or “Recheck”). Upon a change to the Order Book, the NBBO, or as part of the processing of inbound messages, the System may invite orders on one or both sides of its market to become active and check against the contra side (i.e. become the remover of liquidity) of the Order Book to determine if new executions can occur as a consequence of the change in the Order Book or prevailing market conditions. Orders resting on the Order Book may be eligible to trade against other orders on the Order Book that were ineligible for execution, or did not satisfy the order's conditions (i.e. minimum quantity) when they were originally booked.

(i) Resting orders are invited to Recheck according to the resting priority of each order.

(ii) To be eligible for Book Recheck, orders must be able to execute against resting contra-side liquidity[able to execute at a price equal to or more aggressive than the Midpoint Price]. Orders

invited to Recheck will be eligible to trade at their full limit price, adjusted by applicable peg instructions, market conditions and all applicable rules and regulations.

(iii) Additionally, for Primary Peg, Discretionary Peg, and Corporate Discretionary Peg orders to be eligible for Book Recheck, the System must consider the quote to be stable for the order in question pursuant to IEX Rules 11.190(b)(8), (10), and (16), respectively.

[(iv) Primary peg orders are not eligible for Book Recheck.]

(iv) Displayed orders are not eligible for Book Recheck.

(v[i]) No orders are eligible for Book Recheck during a crossed market.

(E) No change.

••• Supplementary Material •••

.01 Book Recheck

Book Recheck invites resting orders to become active orders and recheck the Order Book for execution opportunities.

For example, NBBO is \$10.01 x \$10.02.

IEX receives ORDER#1, a non-routable, non-displayed buy MQTY marked Composite for 7,500 shares with a limit price of \$10.02 and minimum quantity size of 5,000 shares. ORDER#1 is booked and ranked at its limit price, \$10.02.[the Midpoint Price, \$10.015.]

ORDER#2, a non-routable sell order for 3,000 shares joins the offer at \$10.02 (3,000 does not satisfy the ORDER#1's 5,000 minimum quantity size).

ORDER#3, a second non-routable sell order for 2,000 shares joins the offer at \$10.02.

Since the 5,000 cumulative shares resting on the offer satisfy the ORDER#1's 5,000 minimum quantity, ORDER#1 is invited to Recheck the Order Book. Two executions for a cumulative 5,000 shares occur: the first execution for 3,000 shares at \$10.02, against ORDER#2, and the second execution for 2,000 shares at \$10.02, against ORDER#3. ORDER#1 is decremented to a quantity of 2,500 shares from 7,500.

(b)-(e) No change.

Rule 11.231. Regular Market Session Opening Process for Non-IEX-Listed Securities

- (a) Order Entry and Cancellation before the Regular Market Session Opening Process (“Opening Process”). Prior to the beginning of Regular Market Hours, Users who wish to participate in the Opening Process may enter orders designated with a TIF of DAY and limit orders designated with a TIF of GTX, which shall queue in the System and are eligible for execution in the Opening Process (the “Cross Book”); interest resting on the Order Book in the Pre-Market Session available for continuous trading (i.e., orders on the Continuous Book) are also eligible for execution in the Opening Process (collectively, “Cross Eligible Orders”). Orders with a Minimum Quantity as defined in Rule 11.190(b)(11) are not eligible for execution in the Opening Process, and therefore not Cross Eligible Orders.

(1) Orders on the Continuous Book and orders on the Cross Book (collectively, the Order Book) shall be ranked and maintained for the Opening Process pursuant to Rule 11.220(a)(2), as follows:

(i)-(iv) No change.

(v) Non-displayed limit orders and non-displayed portions of reserve orders on the Continuous Book are ranked and eligible for execution in the Opening Process at the less aggressive of the contra-side protected quotation (i.e. the NBO for buy orders and NBB for sell orders) [Midpoint Price] or the order’s limit price.

(vi) Displayed limit orders on the Continuous Book are ranked and eligible for execution in the Opening Process at their resting price.

(b)-(f) No change.

Rule 11.232. Retail Price Improvement Program

- (a) Definitions.

(1) No Change.

(2) “Retail order” has the meaning specified in IEX Rule 11.190(b)(15) and will operate in accordance with paragraph (e) of this Rule 11.232. A Retail order must be a Discretionary Peg order or Midpoint Peg order with a Time-in-Force of IOC or FOK, and is only eligible to trade at a price between the NBB and the Midpoint Price (for bids) or

between the NBO and the Midpoint Price (for offers).[at the Midpoint Price, except that a Retail order to buy (sell) is also eligible to trade against a displayed odd lot to sell (buy) priced at or between the NBB (NBO) and the Midpoint Price.]

(3) No Change.

(b)-(d) No Change.

(e) Priority and Order Execution.

(1) No change.

(2) Retail orders shall seek to execute upon entry into the System at the Midpoint Price, except that a Retail order to buy (sell) may also seek to execute against sell (buy) orders priced greater (less) than or equal to the NBB (NBO) and less (greater) than or equal to the Midpoint Price.[a displayed odd lot to sell (buy) priced at or between the NBB (NBO) and the Midpoint Price.]

(3) Retail orders shall execute against orders resting on the Order Book in price/time priority in accordance with IEX Rule 11.230 subject to the following:

(A) A Retail order to buy (sell) shall execute upon entry against sell (buy) orders resting on the Order Book in the following order:

(i) displayed sell (buy) orders at the NBO (NBB) during a locked or crossed market;

(ii) displayed sell (buy) odd lot orders priced to trade between the NBB (NBO) and the MidPoint Price;[and]

(iii) non-displayed sell (buy) orders priced to trade between the NBB (NBO) and the Midpoint Price; and

~~(iii)~~(iv) Retail Liquidity Provider orders and nondisplayed orders priced to trade at the Midpoint Price.

Examples of priority and order allocation are as follows:

NBBO for security ABC is \$10.00 — \$10.10. It is not a period of quote instability as defined in Rule 11.190(g).

User 1 enters an unpriced Retail Liquidity Provider order to buy ABC for 500 shares

User 2 then enters an unpriced Discretionary Peg order to buy 500 shares of ABC

User 3 then enters a Midpoint Peg order to buy 500 shares of ABC at a limit price of \$10.04

Example 1: Retail Member Organization enters a Retail order to sell 800 shares of ABC. The order will first execute against the full size of User 1's buy order, and then execute against 300 shares of User 2's buy order, at which point the entire size of the Retail order to sell 800 shares is depleted. In this example the Retail order does not execute against User 3's buy order because the order is not priced to execute at or above \$10.05, the current Midpoint Price.

Example 2: Assume the same facts above, except that User 2's unpriced Discretionary Peg order to buy ABC is for 100 shares. The incoming Retail order to sell 800 shares executes first against User 1's buy order for 500 shares at \$10.05, then against User 2's buy order for 100 shares at \$10.05. The Retail order still does not execute against User 3's buy order because the order is not priced to execute at or above \$10.05, the current Midpoint Price. The Retail order is filled for 600 shares and the balance of 200 shares is cancelled back to the Retail Member Organization.

Example 3: Assume the same facts as Example 1, except that User 3 enters a nondisplayed limit order to buy 300 shares of ABC at a limit price of \$10.05. The incoming Retail order to sell 800 shares executes first against User 1's order for 500 shares at \$10.05, then against User 3's order for 300 shares (because it has priority over User 2's Discretionary Peg order pursuant to IEX Rule 11.220(a)(1)(C)(vii)), completing the Retail order's 800 share quantity. User 2's buy order is not executed because it is ranked behind Users 1 and 3.

Example 4: Assume the same facts as Example 1, except that User 3 enters an unpriced Midpoint Peg order to buy 300 shares before User 1 enters an unpriced Retail Liquidity Provider order to buy 300 shares. The incoming Retail order to sell 800 shares executes first against User 3's order to buy 300 shares at \$10.05 (because it has priority over User 1's Retail Liquidity Provider order pursuant to IEX Rule 11.232(e)(3)(A)(iii)), then against User 1's buy order for 300 shares at \$10.05, and then against User 2's buy order for the remaining 200 shares at \$10.05, completing the Retail order's 800 share quantity.

Example 5: Assume the same facts as Example 1, except that User 3 enters a displayed odd lot limit order to buy 50 shares of ABC at a limit price of \$10.06. The incoming Retail order to sell 800 shares executes first against User 3's order for 50 shares at \$10.06, then against User 1's buy order for 500 shares at \$10.05, and then against User 2's buy order for the remaining 250 shares at \$10.05, completing the Retail order's 800 share quantity.

Example 6: Assume the same facts as Example 1, except that User 3 enters a nondisplayed limit order to buy 300 shares of ABC at \$10.06. The incoming Retail order to sell 800 shares executes first against User 3's order for 300 shares at \$10.06, and then against User 1's buy order for 500 shares at \$10.05, completing the Retail order's 800 share quantity. User 2's buy order is not executed because it is ranked behind Users 1 and 3.

Rule 11.340. Compliance with Regulation NMS Plan to Implement a Tick Size Pilot

(a)-(c) No change.

(d) Exchange handling of orders during the Pilot Period for the Plan

This section sets forth IEX's specific procedures for handling, executing, re-pricing and displaying of certain orders and modifiers applicable to Pilot Securities. Unless otherwise indicated, this section applies to orders in all three Test Group Pilot Securities.

(1)-(3) No change.

(4) For Pilot Securities in Test Group Three:

(A)-(B) No change.

(C) Non-displayed Orders. If after being posted to the Order Book, the NBBO or PBBO changes so that a non-displayed order would no longer be executable at its posted price due to the requirements of Regulation NMS or the Plan, as applicable, the non-displayed order will be repriced consistent with this subparagraph and IEX Rule 11.190(h).

(i) No change.

(ii) Trade-At Prohibition for Opposite Side Protected Quotations. A non-displayable order (including the non-displayed portion of a reserve order) that, at the time of entry, could not be executed at its full limit price, adjusted by applicable peg instructions, if any, market conditions and all applicable rules and regulations, will be repriced and ranked by the System on the Order Book non-displayed pursuant to the non-displayed price sliding rules set forth in IEX Rule 11.190(h)(2)[Midpoint Price Constraint at the current Midpoint Price]("Permitted Non-Displayed Group 3 Book Price"). In situations where the resulting price for a buy (sell) order is equal to the lowest Protected Offer (highest Protected Bid), the Permitted Non-Displayed Group 3 Book Price will be equal to one (1) MPV below (above) the lowest Protected Offer (highest Protected Bid). Non-displayed orders (including non-displayed portions of reserve orders) resting on the Order Book whose booked price becomes

locked or crossed by the PBBO will be re-priced by the System at a Permitted Non-Displayed Group 3 Book Price. To reflect increases (declines) in the lowest Protected Offer (highest Protected Bid), the System will continue to re-price a resting non-displayed buy (sell) order to be equal to the higher (lower) of the order's limit price or a Permitted Non-Displayed Group 3 Book Price.

(D) No change.
