



IEX PRIMARY PEG ORDER

Designed to protect orders when trading at the inside quote

WHAT'S CHANGED?

The IEX Primary Peg (P-Peg™) order utilizes the IEX Signal in an effort to further protect orders when trading at the inside quote. P-Peg is designed to enable participants to maximize spread capture, while protecting their non-displayed orders from trading in adverse conditions at the passive side of the NBBO.

ORDER BEHAVIOR

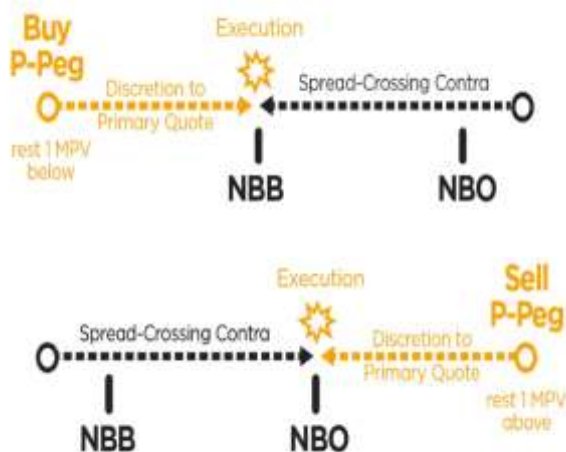
P-Peg is a non-displayed order type that is pegged 1 minimum price variant (MPV) (e.g., one penny) outside the primary quote (below the NBB for buys; above the NBO for sells) and can “step up” to trade at the primary quote *except* during periods of quote instability, as determined by the IEX Signal.

CRUMBLING QUOTE PROTECTION

When IEX determines that the quote is crumbling (i.e., NBB is moving down or NBO is moving up), P-Peg buy (sell) orders are restricted from exercising discretion and remain 1 MPV below (above) the NBB (NBO). During this time, no discretion is exercised, preventing the order from stepping up (down) to the primary quote to trade against spread crossing interest.

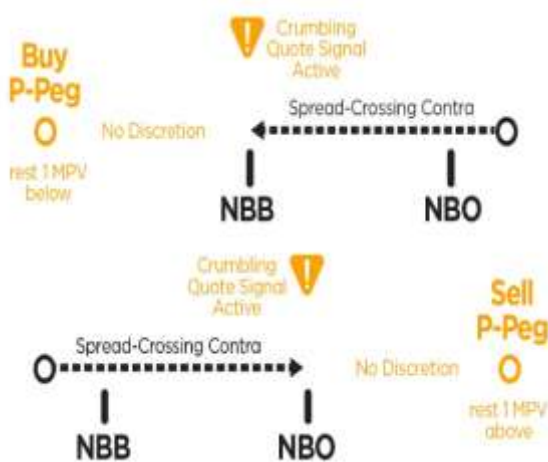
Stable Quote

P-Peg utilizes discretion to trade with spread-crossing contra side orders at the primary, while resting 1 MPV away from the NBBO.



Crumbling Quote

P-Peg will remain 1 MPV away when the NBBO is crumbling and will not exercise discretion until the quote stabilizes.



BOOK PRIORITY

When IEX determines that the quote is crumbling, P-Peg orders are restricted from exercising discretion and remain 1 MPV below (above) the NBB (NBO). During this time, no discretion is exercised, preventing the order from stepping up (down) to the primary quote against spread crossing interest for buy (sell) P-Peg orders.

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