



UPGRADED PRIMARY PEG ORDER

Designed to protect orders when trading at the inside quote

WHAT'S CHANGED?

IEX's Primary Peg order has been updated to utilize IEX's quote stability calculation in an effort to further protect orders when trading at the inside quote. The updated Primary 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

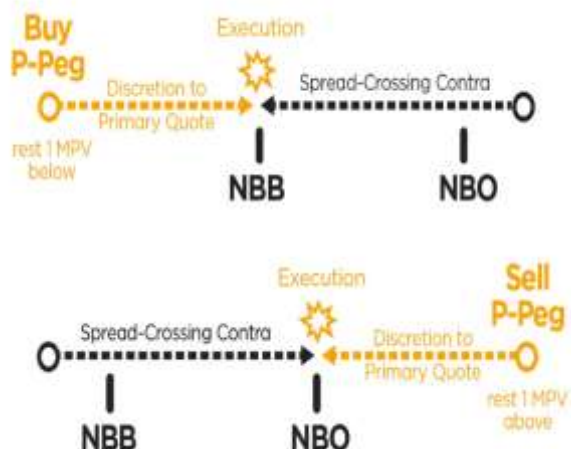
Primary Peg is a non-displayed order type that will now be pegged 1 minimum price variant (MPV) outside the primary quote (below the NBB for buys; above the NBO for sells) and can "step up" to trade at the primary quote *except* during periods of quote instability, as determined by IEX's quote stability calculation.

CRUMBLING QUOTE PROTECTION

When IEX determines that the quote is crumbling (i.e., the quote is unstable), Primary 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.

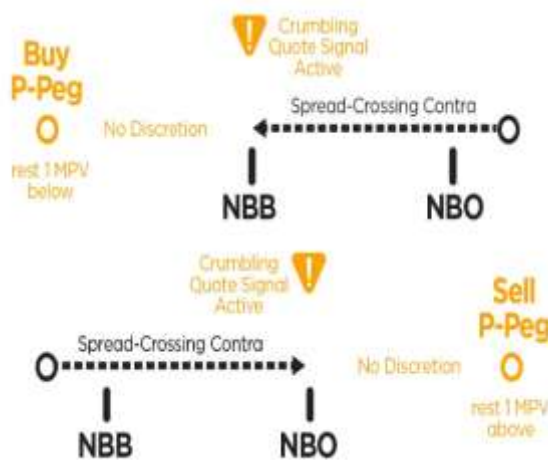
Stable Quote

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



Crumbling Quote

Primary 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 (i.e., the quote is unstable), Primary 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) Primary Peg orders.

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