

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 32	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2017 - * 11	Amendment No. (req. for Amendments *) 3
Filing by Investors' Exchange LLC Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
<b>Description</b>				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text"/>				
<b>Contact Information</b>				
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.				
First Name *	Claudia		Last Name *	Crowley
Title *	Chief Regulatory Officer			
E-mail *	claudia.crowley@iextrading.com			
Telephone *	(646) 343-2041	Fax	<input type="text"/>	
<b>Signature</b>				
Pursuant to the requirements of the Securities Exchange Act of 1934,				
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.				
(Title *)				
Date	06/29/2017		Chief Regulatory Officer	
By	Claudia Crowley		<input type="text"/>	
		(Name *)		
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.				
<input type="button" value="claudia.crowley@iextrading.com"/>				

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**Partial Amendment No. 3 to SR-IEX-2017-11**

Investors Exchange LLC (“IEX” or the “Exchange”) is filing this Partial Amendment No. 3 to SR-IEX-2017-11, which was originally submitted on April 13, 2017, and was partially amended by Partial Amendment No. 1 to SR-IEX-2017-11 submitted on May 19, 2017, and further amended by Partial Amendment No. 2 to SR-IEX-2017-11, originally submitted on June 22, 2017, each of which are available on the Exchange’s public website.<sup>1</sup> Pursuant to SR-IEX-2017-11, the Exchange proposed rule changes to (i) amend Rule 11.231 to modify the manner in which the Exchange opens trading for non-IEX-listed securities beginning at the start of Regular Market Hours and retitle it “Regular Market Session Opening Process for Non-IEX-Listed Securities”; and (ii) amend Rules 11.190 and 11.220 to specify the order types eligible to participate in the proposed Regular Market Session Opening Process for non-IEX listed securities (“Opening Process”) described in proposed Rule 11.231 and priority thereof.

This Partial Amendment No. 3 proposes to modify the determination of the Opening Match Price under proposed Rule 11.231(c) to (i) provide additional clarity regarding the process for determining the Opening Match Price; and (ii) to account for an edge case scenario involving securities in Test Groups Two and Three of the Plan to Implement a Tick Size Pilot Program (the “Plan”),<sup>2</sup> while maintaining continuity in the Exchange’s handling of securities during the Opening Process. Furthermore, the Exchange is proposing to make several changes in the Form 19b-4 Information and Exhibit 1 to correct certain typographical errors, as well as a minor change to the Exhibit

<sup>1</sup> See [www.iextrading.com/regulation/rule-filings/](http://www.iextrading.com/regulation/rule-filings/)

<sup>2</sup> See Plan to Implement a Tick Size Pilot Program (<https://www.sec.gov/rules/sro/nms/2015/34-74892-exa.pdf>)

5 rule text to correct an inadvertent deletion in proposed Rule 11.231(c)(3)(ii). The Exchange believes that these proposed changes clarify and add additional detail to the proposed Opening Process, as further described below, and are consistent with the Securities Exchange Act of 1934 (the “Act”) in that they would further clarify and add additional detail to the proposed Opening Process, and eliminate potential confusion among market participants regarding the proposed functionality. This Partial Amendment No. 3 supersedes and replaces Partial Amendment No. 2 in its entirety.

### Background

#### *Proposed Rules*

In SR-IEX-2017-11, the Exchange proposed to amend Rule 11.231 to offer an enhanced opening process for non-IEX-listed securities. Specifically, as proposed, the Exchange will attempt to perform the Opening Process in each non-IEX-listed security pursuant to which all eligible interest resting on the Order Book in the Pre-Market Session available for continuous trading (i.e., orders on the “Continuous Book”) or orders queued for execution in the Regular Market Session (i.e., orders on the “Cross Book”) will be executed at a single price (the “Opening Match Price”). As proposed, the Opening Process offers Users an opportunity to participate in an electronic price discovery mechanism that efficiently matches all eligible buy and sell orders in each non-IEX-listed security queued for the Opening Process along with all eligible orders resting on the Continuous Book from the Pre-Market Session at a single price. The Opening Process is designed to efficiently maximize the number of shares executed at a single price that is reflective of the broader market for the security, as described more fully below.

Under proposed Rule 11.231(c)(2), if both an Away Protected Bid and Away Protected Offer exist for the subject security, the Opening Match Price would occur at the price that maximizes the number of shares of Cross Eligible Orders to be executed. If the number of shares to be executed in the cross are maximized at a range of prices, the Opening Match would occur at the entered price at which shares will remain unexecuted in the match (i.e., the price of the most aggressive unexecuted order). If the number of shares to be executed in the cross are maximized at a range of prices, and shares are left unexecuted at more than one price (i.e., the number of shares to be executed in the cross are maximized at each price at or higher than the most aggressive unexecuted buy order and at or lower than the most aggressive unexecuted sell order within the auction price range), the Opening Match would occur at the price at or higher than the most aggressive unexecuted buy order and at or lower than the most aggressive unexecuted sell order that is closest or equal to the Cross Tie Breaker. If the Opening Match Price established by the conditions set forth above is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match would occur at the lower (upper) threshold price of the Cross Price Constraint.

Under proposed Rule 11.231(c)(3), if there is a lack of an Away Protected Bid and/or Away Protected Offer (i.e., a one-sided, or zero-sided market) the Opening Match Price would be the price of the Cross Tie Breaker. If the price of the Cross Tie Breaker is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match would occur at the lower (upper) threshold price of the Cross Price

Constraint.<sup>3</sup> Proposed Rule 11.231(c)(1)(iv) defines the term “Cross Tie Breaker” as the price of the most current Order Collar Reference Price pursuant to IEX Rule 11.190(f).<sup>4</sup>

*Plan to Implement a Tick Size Pilot Program*

On May 6, 2015, the Securities & Exchange Commission (SEC) issued an order approving the National Market System (NMS) Plan to implement a Tick Size Pilot Program by the National Securities Exchanges and FINRA.<sup>5</sup> The Plan ordered the widening of quoting and trading increments for a group of Pilot Securities, which are subdivided into three Test Groups and a Control Group, each with its own requirements

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<sup>3</sup> In a one-sided market where there is no Away Protected NBB or no Away Protected NBO, the Cross Tie Breaker is compared to the available threshold price of the Cross Price Constraint (i.e., the Opening Match Price will be at or above the lower threshold price, or at or below the upper threshold price of the Cross Price Constraint, as applicable). In a zero-sided market, the Opening Match Price will be the Cross Tie Breaker.

<sup>4</sup> Rule 11.190(f)(1)(A) defines the Order Collar Reference Price as the most current of: (i) the consolidated last sale price disseminated during the Regular Market Session on the current trade date, (ii) the last trade price disseminated outside of the Regular Market Session by the SIP (Form T, as communicated by the relevant SIP) on the current trade date, which but for the Form T designation would have been considered a valid last sale price, or, (iii) if no such trades exist, the previous official closing price. If no Pre-Market Session trades have occurred that qualify to update the Order Collar Reference Price and the previous official closing price for the security is not available, in the interest of maintaining a fair and orderly market, the Exchange will prevent trading in a security pursuant to Rule 11.190(f)(1)(B) by rejecting orders beginning at the start of the Pre-Market Session, and will not conduct an Opening Match in such security. Accordingly, in such cases, the Opening Process will conclude with IEX opening the Regular Market Session without an Opening Match, and trading will begin upon receipt of the first Order Collar Reference Price for the security.

<sup>5</sup> See Securities and Exchange Act Release No. 74892 (May 6, 2015), 80 FR 27513 (File No. 4-657) (“Tick Plan Approval Order”). See also Securities and Exchange Act Release No. 76382 (November 6, 2015) (File No. 4-657), 80 FR 70284 (File No. 4-657) (November 13, 2015), which extended the pilot period commencement date from May 6, 2015 to October 3, 2016.

and exceptions relating to quoting and trading increments.<sup>6</sup> Specifically, section VI of the

Plan states that Pilot Securities in:

- The Control Group may be quoted and traded at any price increment that is currently permitted;
- Test Group One must be quoted in \$0.05 minimum increments, but may continue to trade at any price increment that is currently permitted;<sup>7</sup>
- Test Group Two must be quoted and traded in \$0.05 minimum increments unless they meet the requirements of certain exemptions for midpoint executions, retail investor executions, and negotiated trades; and
- Test Group Three are subject to the same quoting and trading requirements as Test Group Two, along with the applicable quoting and trading exceptions. In addition, Pilot Securities in Test Group Three are subject to a trade-at prohibition.<sup>8</sup>

As a Plan Participant, the Exchange is subject to the applicable requirements of the Plan, and has adopted Rule 11.340, which sets forth the obligations of the Exchange and its Members' pursuant thereto.

#### Proposed Amendments

##### *Process for Determining the Opening Match Price*

The Exchange is proposing to clarify proposed Rule 11.231(c)(2)(ii) by rewording that section to state if the number of shares to be executed in the cross are maximized at more than one price “resulting in a cross price range, the Opening Match Price shall occur at the price at or within such range that is not lower (higher) than the most

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<sup>6</sup> See Id., Exhibit A, Plan to Implement a Tick Size Pilot Program (<https://www.sec.gov/rules/sro/nms/2015/34-74892-exa.pdf>)

<sup>7</sup> Note, orders priced to execute at the midpoint and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

<sup>8</sup> Note, the trade-at prohibition restricts the execution of a buy (sell) order at the price of a protected offer (bid), unless the order is executed pursuant to an exception set forth under section VI(D)(1)-(13) of the Plan.

aggressive unexecuted buy (sell) order.” The proposed amendment is meant to clarify that if the number of shares to be executed in the cross are maximized at more than one price resulting in a range of possible cross prices, the range of valid prices for the Opening Match is constrained to prices that do not “trade-through” the most aggressive unexecuted order (i.e., the Opening Process is designed to prevent executing the cross at a price lower (higher) than the most aggressive unexecuted buy (sell) order).<sup>9</sup> In the event there is only one price that is not lower (higher) than the most aggressive unexecuted buy (sell) order, such price will be the Opening Match Price. However, under the proposed amendment to proposed Rule 11.231(c)(2)(iii), if there is more than one price within the auction price range that is not lower (higher) than the most aggressive unexecuted buy (sell) order, the Opening Match shall occur at the price closest or equal to the Cross Tie Breaker. This amendment is a simplification of proposed Rule 11.231(c)(2)(iii) that is designed to conform to proposed Rule 11.231(c)(2)(ii) as modified. The Exchange notes, importantly, that the proposed amendments above alter only diction, and do not alter the underlying functionality of proposed Rules 11.231(c)(2)(ii) and (iii).

The Exchange believes the amendments proposed above do not fundamentally alter the proposed process for determining the Opening Match Price, but rather are

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<sup>9</sup> The Exchange notes that if there are both buy and sell orders that will remain unexecuted in the Opening Match, the cross would be restricted from executing at a price lower than the most aggressive unexecuted buy order and higher than the most aggressive unexecuted sell order. Furthermore, if the number of shares to be executed in the cross are maximized at a range of prices, but there are no shares left unexecuted at any price level within such range (for example, in the event buy order shares equal sell order shares at a range of prices and the most aggressive unexecuted buy order is lower than such range, and the most aggressive unexecuted sell order is above such range), then the Opening Match Price would be determined, pursuant to proposed Rule 11.231(c)(2)(iii), at the price closest or equal to the Cross Tie Breaker.

designed to provide additional clarity to the Opening Match Price determination logic originally proposed. The Exchange believes the proposed amendments would further clarify and add additional detail to the proposed Opening Process, and eliminate potential confusion among market participants regarding the Opening Match Price.

*Rounding the Opening Match Price*

In addition to the amendments set forth above, the Exchange is proposing to amend proposed Rule 11.231(c)(1)(iv), which defines the Cross Tie Breaker, to round such price to the nearest MPV or Midpoint Price calculated by the System, whichever is closer. The proposed rounding approach is designed to address an edge case scenario that presents a potential inconsistency with the Plan and IEX Rule 11.340 should a Cross Tie Breaker that is in a non-nickel increment set the Opening Match Price for a Pilot Security in Test Groups Two or Three. Specifically, in a one-sided or zero-sided market, if the Cross Tie Breaker (i.e., the most recent Order Collar Reference Price) is set by a trade that qualified for an exception from the \$0.05 minimum trade increment requirement (i.e., a midpoint execution, a retail investor execution, or a negotiated trade), and the Cross Tie Breaker is within the available Cross Price Constraint,<sup>10</sup> the Opening Match Price would be equal to such price pursuant to proposed Rule 11.231(c)(3)(i). Thus, in the case of a Pilot Security in Test Groups Two or Three,<sup>11</sup> the resultant Opening Match Price would

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<sup>10</sup> The Cross Price Constraint in an uncrossed market is generally the Protected NBBO, not including the protected quotations of the Exchange. See proposed Rule 11.231(c)(1)(iii).

<sup>11</sup> While the Trade-At exceptions set forth in section VI(D)(1)-(13) of the Plan include an exception for an order that is executed as part of a single-priced opening, reopening, or closing transaction by the trading center, and proposed Rule 11.231(f) properly states that the Opening Process constitutes a single-priced opening transaction, the exception does

be an impermissible increment, and would not qualify for an exception from the \$0.05 minimum trade increment.

Similarly, in a two-sided market, if a Cross Tie Breaker that is in a non-nickel increment and within the available Cross Price Constraint set the Opening Match Price for a Pilot Security in Test Groups Two or Three pursuant to proposed Rule 11.231(c)(2)(iii), the resultant Opening Match Price would be an impermissible increment, and would not qualify for an exception from the \$0.05 minimum trade increment. For example, if the number of shares to be executed in the cross are maximized at a range of prices, multiple prices at or within such range are not lower (higher) than the most aggressive unexecuted buy (sell) order, and the Cross Tie Breaker is both within the Cross Price Constraint, and higher (lower) than the most aggressive unexecuted buy (sell) order (e.g., a buy market order matching against a sell market order with no other Cross Eligible Orders on the Order Book), then the Opening Match Price will be equal to the Cross Tie Breaker.<sup>12</sup> Accordingly, for Pilot Securities in Test Groups 2 and 3, if the Cross Tie Breaker is set by a trade that qualified for an exception from the \$0.05 minimum trade increment requirement, the resultant Opening Match Price may be

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not apply to all quoting and trading obligations under the plan, but is specific to the Trade-at prohibition of section VI(D).

<sup>12</sup> See proposed Rule 11.231(c)(2)(i)-(iii). The Exchange notes that if the number of shares to be executed in the cross are maximized at a range of prices, multiple prices at or within such range are not lower (higher) than the most aggressive unexecuted buy (sell) order, and the Cross Tie Breaker is within the Cross Price Constraint, but higher (lower) than the most aggressive unexecuted sell (buy) order, the Opening Match Price would be the price of the most aggressive unexecuted sell (buy) order. In that case, given that pursuant to Rule 11.340(d)(1), any Cross Eligible Order in a security of any of the Test Groups that requires a price and does not otherwise qualify for an exemption will not be accepted if it is in a minimum price increment other than \$0.05, the Opening Match Price would be a valid increment and therefore would not need to be rounded.

an impermissible increment, and would not qualify for an exception from the \$0.05 minimum trade increment.

The Exchange proposes to apply this rounding logic to all non-IEX-listed securities (rather than only Pilot Securities in Test Groups 2 and 3 of the Plan) in order to maintain continuity in the Exchange's handling of securities during the Opening Process, and avoid introducing additional technical complexities to the System. Accordingly, non-Pilot Securities priced above one dollar (\$1.00) will be rounded to the nearest Midpoint Price or one-penny (\$0.01) MPV, whichever is closer.

Consistent with the foregoing, the Exchange is proposing to amend proposed Rules 11.231(c)(1) and (2) as follows (proposed new language is underlined; proposed deletions are in brackets):

(1) Definitions.

(i) – (iii) No change.

(iv) The term “Cross Tie Breaker” shall mean the price of the most current Order Collar Reference Price pursuant to IEX Rule 11.190(f), rounded to the nearest MPV or Midpoint Price calculated by the System at the start of the Opening Process, whichever is closer.

(2) The Opening Match Price in a Two-sided Market. When the Exchange performs the Opening Process for a security, if both an Away Protected Bid and Away Protected Offer exist for the subject security, the following process will be used to determine the Opening Match Price.

(i) The Opening Match shall occur at the price that maximizes the number of shares of Cross Eligible Orders to be executed;

(ii) If more than one price exists under subparagraph (i) resulting in a cross price range, the Opening Match shall occur at the price at or within such range that is not lower (higher) than the most aggressive unexecuted buy (sell) order], the Opening Match shall occur at the entered price at which shares will remain unexecuted in the match (i.e., the price of the most aggressive unexecuted order);

(iii) If more than one price exists under subparagraph (ii), the Opening Match shall occur at the price [that minimizes the distance from the Cross Tie Breaker (i.e., the price at or higher than the most aggressive unexecuted buy order and at or lower than the most aggressive unexecuted sell order that is] closest or equal to the Cross Tie Breaker[]]; and

(iv) If the Opening Match Price established by subparagraphs (i)-(iii) above is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match shall occur at the lower (upper) threshold price of the Cross Price Constraint.

The following examples are designed to illustrate the process for determining the Opening Match Price as modified above:

- Example 1

- In a Pilot Security in Test Group 2, the Away Protected NBO is \$10.05, and the Order Collar Reference Price is \$10.005 set by a qualified retail investor execution on an away venue;
- The Cross Book includes the following orders:
  - Limit order to buy 1,500 shares with a limit price of \$10.05; and
  - Limit order to sell 1,000 shares with a limit price of \$10.00.
- The Cross Tie Breaker of \$10.005 will set the Opening Match Price, and is rounded to the nearest MPV closest to the Cross Tie Breaker, or \$10.00 (because there is no Midpoint Price);
- The Opening Match Price is below the upper threshold of the Cross Price Constraint (\$10.05);<sup>13</sup> therefore
  - 1,000 shares would execute at the Opening Match Price of \$10.00.

- Example 2

- In a Pilot Security in Test Group 2, there is no Away Protected NBBO and the Order Collar Reference Price is \$10.025;
- The Cross Book includes the following orders:
  - Limit order to buy 1,500 shares with a limit price of \$10.05; and
  - Limit order to sell 1,000 shares with a limit price of \$10.00.
- The Cross Tie Breaker of \$10.025 will set the Opening Match Price, and is rounded to the nearest MPV closest to the Cross Tie Breaker, or \$10.05

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<sup>13</sup> Note, there is no lower threshold price of the Cross Price Constraint because there is no Away Protected NBB, and therefore the Cross Tie Breaker of \$10.005 is compared to the available upper threshold price of the Cross Price Constraint (\$10.05).

(because there is no Midpoint Price);<sup>14</sup> therefore

- 1,000 shares would execute at the Opening Match Price of \$10.05.
- Example 3
  - In a Pilot Security in Test Group 2, the Away Protected NBBO is \$10.00 x \$10.05, the Midpoint Price is \$10.025, and the Order Collar Reference Price is \$10.03;
  - The Cross Book includes the following orders:
    - Limit order to buy 1,500 shares with a limit price of \$10.05; and
    - Limit order to sell 1,500 shares with a limit price of \$10.00.
  - The Continuous Book includes the following orders:
    - Limit order to buy 500 shares with a limit price of \$10.00; and
    - Limit order to sell 500 shares with a limit price of \$10.05.
  - Shares are maximized at each price at and between \$10.00 and \$10.05. Each price at and between such range is not lower (higher) than the most aggressive unexecuted buy (sell) order, \$10.00 and \$10.05, respectively.
  - The Cross Tie Breaker of \$10.03 will set the Opening Match Price, and is rounded to the Midpoint Price, or \$10.025 (because the Cross Tie Breaker is closer to the Midpoint Price than the nearest MPV of \$10.05);
  - The Opening Match Price is between the lower and upper thresholds of the Cross Price Constraint (i.e., between \$10.00 and \$10.05, respectively); therefore
    - 1,500 shares would execute at the Opening Match Price of \$10.025.
- Example 4
  - In a non-Pilot Security, the Away Protected NBB is \$10.00 and the Order Collar Reference Price is \$10.001;
  - The Cross Book includes the following orders:
    - Limit order to buy 1,500 shares with a limit price of \$10.02; and
    - Limit order to sell 1,000 shares with a limit price of \$10.00.
  - The Cross Tie Breaker of \$10.005 will set the Opening Match Price, and is rounded to the nearest MPV closest to the Cross Tie Breaker, or \$10.00 (because there is no Midpoint Price);
  - The Opening Match Price is above the lower threshold of the Cross Price Constraint (i.e., \$10.00); therefore
    - 1,000 shares would execute at the Opening Match Price of \$10.00.
- Example 5
  - In a non-Pilot Security, the Away Protected NBB is \$10.02 and the Order

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<sup>14</sup> Note, there is neither an upper threshold price nor a lower threshold price of the Cross Price Constraint because there are no away protected quotations.

- Collar Reference Price is \$10.005;
- The Cross Book includes the following orders:
    - Limit order to buy 1,500 shares with a limit price of \$10.02; and
    - Limit order to sell 1,000 shares with a limit price of \$10.00.
  - The Cross Tie Breaker of \$10.005 will set the Opening Match Price, and is rounded to the nearest MPV closest to the Cross Tie Breaker, or \$10.01 (because there is no Midpoint Price);
  - The Opening Match Price is below the lower threshold of the Cross Price Constraint (i.e., \$10.02), and thus the Opening Match Price is \$10.02; therefore
    - 1,000 shares would execute at the Opening Match Price of \$10.02.<sup>15</sup>
- Example 6
    - In a non-Pilot Security, the Away Protected NBBO is \$10.00 x 10.01, the Midpoint Price is \$10.005, and the Order Collar Reference Price is \$10.005;
    - The Cross Book includes the following orders:
      - Limit order to buy 1,500 shares with a limit price of \$10.01; and
      - Limit order to sell 1,500 shares with a limit price of \$10.00.
    - The Continuous Book includes the following orders:
      - Limit order to buy 500 shares with a limit price of \$10.00; and
      - Limit order to sell 500 shares with a limit price of \$10.01.
    - Shares are maximized at each price at and between \$10.00 and \$10.01. Each price at and between such range is not lower (higher) than the most aggressive unexecuted buy (sell) order, \$10.00 and \$10.01, respectively.
    - The Cross Tie Breaker of \$10.005 will set the Opening Match Price, and is equal to the Midpoint Price;
    - The Opening Match Price is between the lower and upper thresholds of the Cross Price Constraint (i.e., between \$10.00 and \$10.01, respectively); therefore
      - 1,500 shares would execute at the Opening Match Price of \$10.005.

The Exchange further proposes to make the following conforming changes to the Form 19b-4 Information and Exhibit 1 to reflect the proposed amendments described above and to correct certain typographical errors:

- The final bullet point of the seventh paragraph under the heading “Description of the

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<sup>15</sup> Because \$10.02 is a valid increment for a non-Pilot Security, the Opening Match Price would not need to be rounded.

Proposed Rule Change” on page 12 in the Form 19b-4 Information and page 40 of the Exhibit 1 is amended and restated in its entirety as follows:

- The term “Cross Tie Breaker” shall mean the price of the most current Order Collar Reference Price pursuant to IEX Rule 11.190(f), rounded to the nearest MPV or Midpoint Price calculated by the System at the start of the Opening Process, whichever is closer.
- The first full paragraph on page 12 under the heading “Description of the Proposed Rule Change” in the Form 19b-4 Information, and reproduced on page 40 of the Exhibit 1 is amended and restated in its entirety as follows:
  - Under proposed Rule 11.231(c)(2), if both an Away Protected Bid and Away Protected Offer exists (*i.e.*, a two-sided market) the price of the Opening Match (“Opening Match Price”) will be the price that maximizes the number of shares of Cross Eligible Orders to be executed. If more than one price exists that maximizes the number of shares of Cross Eligible Orders to be executed, the Opening Match shall occur at the price at or within such range that is not lower (higher) than the most aggressive unexecuted buy (sell) order. If the number of Cross Eligible Order shares to be executed in the cross are maximized at more than one price, and more than one price within such range is not lower (higher) than the most aggressive unexecuted buy (sell) order, the Opening Match shall occur at the price that is closest or equal to the Cross Tie Breaker. Lastly, if the Opening Match Price established pursuant to the procedures above is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match shall occur at the lower (upper) threshold price of the Cross Price Constraint.
- Examples 1 through 4 starting on page 13 and ending on page 15 in the Form 19b-4 Information, and reproduced on pages 41 through 43 of the Exhibit 1 illustrating the process for determining the Opening Match Price in a two-sided market are amended and restated in their entirety as follows:<sup>16</sup>

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<sup>16</sup> The Exchange notes that examples 2 and 3 on pages 13 and 14 in the Form 19b-4 Information and reproduced on pages 41 and 42 of the Exhibit 1, which are designed to illustrate the process for determining the Opening Match Price in a two-sided market, make incorrect references to “auction”, rather than “cross”. The Exchange believes that the proposed amendments are designed to avoid confusion amongst market participants regarding the proposed functionality for the Opening Process for non-IEX-listed securities, and the proposed Opening Auction for IEX-listed securities pursuant to proposed Rule 11.350(c). See proposed Rule 11.350(c)(2)(C) in SR-IEX-2017-10 available at

Each example below assumes the Away Protected NBB is \$10.09, the Away Protected NBO is \$10.11, and the last trade price that qualified as an Order Collar Reference Price was \$10.10:

○ Example 1

- The Cross Book includes the following orders:
  - Limit order to buy 1,500 shares with a limit price of \$10.10; and
  - Limit order to sell 1,000 shares with a limit price of \$10.10.
- Shares are maximized at \$10.10; therefore
  - 1,000 shares would execute at the Opening Match Price of \$10.10.

○ Example 2

- The Cross Book contains the following orders:
  - Limit order to buy 1,500 shares with a limit price of \$10.10; and
  - Market order to sell 1,000 shares.
- Shares are maximized at each price at and between the lower threshold of the Cross Price Constraint (i.e., \$10.09) and \$10.10, but \$10.10 is the only price at or within such range that is not lower than the most aggressive unexecuted buy order; therefore
  - 1,000 shares would execute at the Opening Match Price of \$10.10.

○ Example 3

- The Cross Book contains the following orders:
  - Limit order to buy 2,000 shares with a limit price of \$10.11;
  - Limit order to sell 2,000 shares with a limit price of \$10.09.
- The Continuous Book contains the following orders:
  - Displayed limit order to buy 500 shares with a limit price of \$10.09;
  - Displayed limit order to sell 600 shares with a limit price of \$10.11.
- Shares are maximized at each price at and between \$10.09 and \$10.11. Each price at and between such range is not lower (higher) than the most aggressive unexecuted buy (sell) order, \$10.09 and \$10.11, respectively.
- The Cross Tie Breaker of \$10.10 will set the Opening Match Price,

and is equal to the Midpoint Price;

- The Opening Match Price is between the lower and upper thresholds of the Cross Price Constraint (i.e., \$10.09 and \$10.11, respectively); therefore
  - 2,000 shares would execute at the Opening Match Price of \$10.10.

○ Example 4

- The Cross Book contains the following orders:
  - Limit order to buy 2,000 shares with a limit price of \$10.08;
  - Limit order to sell 2,000 shares with a limit price of \$10.08.
- The Continuous Book contains the following orders:
  - Displayed limit order to buy 500 shares with a limit price of \$10.09;
  - Displayed limit order to sell 600 shares with a limit price of \$10.11.
- Shares are maximized at \$10.08, however \$10.08 is below the lower threshold of the Cross Price Constraint (i.e., \$10.09); therefore
  - 500 shares would execute at the Opening Match Price of \$10.09.

• Example 1 beginning on page 15 in the Form 19b-4 Information, and reproduced on page 43 of the Exhibit 1 illustrating the process for determining the Opening Match Price and the proposed execution priority including non-displayed orders on the Cross Book in a two-sided market. Example 1 below assumes the Away Protected NBB is \$20.19, the Away Protected NBO is \$20.21, and the last trade price that qualified as an Order Collar Reference Price was \$20.20. Example 1 is amended and restated in its entirety as follows:

○ Example 1

- The Cross Book includes the following orders:
  - Midpoint Peg order to buy 2,500 shares with a resting price of \$20.20.
  - Limit order to buy 500 shares with a limit price of \$20.18; and
  - Limit order to sell 2,000 shares with a limit price of \$20.18.
- For purposes of determining the Opening Match Price, the Midpoint Peg order is priced at its resting price (\$20.20);
- Accordingly, shares are maximized at each price at and between \$20.18 and \$20.20, but \$20.20 is the only price at or within such range that is not lower than the most aggressive unexecuted buy order; therefore
  - 2,000 shares would execute at the Opening Match Price of

\$20.20;

- The Midpoint Peg buy order would receive an execution of 2,000 shares and the remaining 500 shares remain booked at the midpoint of the NBBO;
  - The limit sell order would receive an execution of 2,000 shares, and thus be fully filled; and
  - The limit buy order would not receive an execution, because the limit sell order is fully filled after matching with the Midpoint Peg buy order with superior priority. The entire limit buy order is booked at the \$20.18.
- Examples 1 through 3 starting on page 18 and ending on page 19 in the Form 19b-4 Information, and reproduced on pages 46 and 47 of the Exhibit 1 illustrating the process for determining the Opening Match Price in a one-sided or zero-sided market are amended and restated in their entirety as follows:

Each example below assumes the last trade price that qualified as an Order Collar Reference Price was \$10.10:

- Example 1
  - Away Protected NBB is \$10.09;
  - The Cross Book includes the following orders:
    - Limit order to buy 1,500 shares with a limit price of \$10.11; and
    - Limit order to sell 1,000 shares with a limit price of \$10.09.
  - The Cross Tie Breaker of \$10.10 will set the Opening Match Price.
  - The Opening Match Price is above the lower threshold of the Cross Price Constraint (*i.e.*, \$10.09);<sup>17</sup> therefore
    - 1,000 shares would execute at the Opening Match Price of \$10.10.
- Example 2
  - Away Protected NBB is \$10.11;
  - The Cross Book includes the following orders:
    - Limit order to buy 1,500 shares with a limit price of \$10.11; and
    - Limit order to sell 1,000 shares with a limit price of \$10.09.
  - The Cross Tie Breaker of \$10.10 will set the Opening Match Price.

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<sup>17</sup> Note, there is no upper threshold price of the Cross Price Constraint because there is no Away Protected NBO, and therefore the Cross Tie Breaker of \$10.10 is compared to the available lower threshold price of the Cross Price Constraint (\$10.09).

- The Opening Match Price is below the lower threshold of the Cross Price Constraint (i.e., \$10.11); therefore
  - 1,000 shares would execute at the Opening Match Price of \$10.11.
- Example 3
  - There is neither an Away Protected NBB nor an Away Protected NBO;
  - The Cross Book includes the following orders:
    - Limit order to buy 1,500 shares with a limit price of \$10.11; and
    - Limit order to sell 1,000 shares with a limit price of \$10.09.
  - The Cross Tie Breaker of \$10.10 will set the Opening Match Price;<sup>18</sup> therefore
    - 1,000 shares would execute at the Opening Match Price of \$10.10.

As noted above, the Exchange believes that the proposed amendments provide additional clarity and additional detail to the proposed Opening Process, as described above, and are consistent with the Securities Exchange Act of 1934 (the “Act”) in that they are designed to eliminate potential confusion among market participants regarding the proposed functionality. Furthermore, the Exchange believes the proposed amendment is consistent with the protection of investors and the public interest in that it addresses a potential inconsistency between the Opening Process, and Exchange Rules and the Plan, and thus is designed to facilitate the Exchange’s compliance with the Plan.

Moreover, the Exchange believes that applying the proposed rounding methodology for purposes of determining the Opening Match Price is consistent with the protection of investors and the public interest because such prices reflect the broader market for the security. Furthermore, the Exchange believes that the application of the

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<sup>18</sup> Note, there is neither an upper threshold price nor a lower threshold price of the Cross Price Constraint because there are no away protected quotations.

proposed rounding logic to all non-IEX-listed securities is consistent with the protection of investors and the public interest in that it is designed to maintain continuity in the Exchange's handling of securities during the Opening Process, and avoid introducing additional technical complexities to the System. Moreover, the Opening Match Price, regardless of rounding, remains restricted by the Cross Price Constraint, which is generally the prices at or between the Away Protected NBB and Away Protected NBO. Accordingly, the proposed Opening Process, including the proposed rounding process, remains designed to respect the fact that much of the liquidity seeking execution at the start of Regular Market Hours is aggregated at the primary market center. Therefore, as noted in SR-IEX-2017-11, including the quotations of the primary market (along with those of all other protected markets) for purposes of constraining the Opening Match Price is designed to provide the greatest opportunity to match buy and sell orders at a price that is reflective of the market for the security, in furtherance of the perfection of a free and open market and a national market system, and consistent with the protection of investors and the public interest.

Lastly, the Exchange believes that the proposed amendments to the Form 19b-4 Information and the Exhibit 1 to correct the typographical errors set forth above are designed to avoid confusion amongst market participants regarding the proposed functionality for the Opening Process for non-IEX-listed securities, and the proposed Opening Auction for IEX-listed securities pursuant to proposed Rule 11.350(c).<sup>19</sup>

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<sup>19</sup> See proposed Rule 11.350(c)(2)(C) in SR-IEX-2017-10 available at <https://www.iextrading.com/regulation/rule-filings/>.



## Exhibit 4 – Marked Copies

Proposed amendment language is underlined text; proposed amendment deletions are in brackets.

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

(a)-(b) No Change

(c) Determination of the Opening Match Price.

(1) Definitions.

(i) – (iii) No change.

(iv) The term “Cross Tie Breaker” shall mean the price of the most current Order Collar Reference Price pursuant to IEX Rule 11.190(f), rounded to the nearest MPV or Midpoint Price calculated by the System at the start of the Opening Process, whichever is closer.

(2) The Opening Match Price in a Two-sided Market. When the Exchange performs the Opening Process for a security, if both an Away Protected Bid and Away Protected Offer exist for the subject security, the following process will be used to determine the Opening Match Price.

(i) The Opening Match shall occur at the price that maximizes the number of shares of Cross Eligible Orders to be executed;

(ii) If more than one price exists under subparagraph (i) resulting in a cross price range, the Opening Match shall occur at the price at or within such range that is not lower (higher) than the most aggressive unexecuted buy (sell) order], the Opening Match shall occur at the entered price at which shares will remain unexecuted in the match (i.e., the price of the most aggressive unexecuted order)];

(iii) If more than one price exists under subparagraph (ii), the Opening Match shall occur at the price [that minimizes the distance from the Cross Tie Breaker (i.e., the price at or higher than the most aggressive unexecuted buy order and at or lower than the most aggressive unexecuted sell order that is ]closest or equal to the Cross Tie Breaker[]]; and

(iv) If the Opening Match Price established by subparagraphs (i)-(iii) above is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match shall occur at the lower (upper)

threshold price of the Cross Price Constraint.

(3) No change.

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## Exhibit 5 – Text of Proposed Rule Change

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

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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.[Pre-Market Order Queue. Orders not eligible for trading prior to the commencement of the Regular Market Session that are received and queued during the Pre-Market Session as described in IEX Rule 11.190(a) are queued in the time sequence of their receipt by the System, pursuant to IEX Rule 11.220(2)(a).]

(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) Midpoint peg orders, as defined in IEX Rule 11.190(b)(9), on the Cross Book are ranked and eligible for execution in the Opening Process at the less aggressive of the Midpoint Price or the order’s limit price, if any.
- (ii) Primary peg orders, as defined in IEX Rule 11.190(b)(8), on the Cross Book are ranked and eligible for execution in the Opening Process at the less aggressive of one (1) MPV below (above) the NBB (NBO) for buy (sell) orders or the order’s limit price, if any, but may exercise price discretion up (down) to the Opening Match Price, subject to the less aggressive of the NBB (NBO) or the order’s limit price, if any, except during periods of quote instability, as defined in IEX Rule 11.190(g). When exercising price discretion, primary peg orders are ranked behind any non-displayed interest at the Opening Match Price for the duration of the Opening Process. If multiple primary peg orders are exercising price discretion during the

Opening Process, they maintain their relative time priority at the Opening Match Price.

- (iii) Discretionary Peg orders, as defined in IEX Rule 11.190(b)(10), on the Cross Book are ranked and eligible for execution in the Opening Process at the less aggressive of the NBB (NBO) for buy (sell) orders or the order's limit price, if any, but may exercise price discretion up (down) to the Opening Match Price, subject to the less aggressive of the Midpoint Price or the order's limit price, if any, except during periods of quote instability, as defined in IEX Rule 11.190(g). When exercising price discretion, Discretionary Peg orders are ranked behind any non-displayed interest at the Opening Match Price for the duration of the Opening Process. If multiple Discretionary Peg orders are exercising price discretion during the Opening Process, they maintain their relative time priority at the Opening Match Price.
- (iv) Limit orders on the Cross Book are ranked and eligible for execution in the Opening Process at their limit price.
- (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 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) Performing the Opening Process. The Exchange will attempt to perform the Opening Process beginning at the start of Regular Market Hours, in which the Exchange matches buy and sell Cross Eligible Orders that are executable at the Opening Match Price, as described in paragraph (c) below.

(1) Execution Priority. Cross Eligible Orders will be processed in accordance with the Exchange's determination of order priority pursuant to IEX Rule 11.220(a)(2). To the extent there is executable contra side interest, market orders will be executed at the Opening Match Price according to time priority. After the execution of all market orders, the remaining Cross Eligible Orders priced more aggressively than the Opening Match Price will be executed in price – display – time priority at the Opening Match Price. All remaining Cross Eligible Orders priced equal to the Opening Match Price will execute in display – time priority at the Opening Match Price. Executions will occur until there is no remaining volume or there is an imbalance of Cross Eligible Orders (the process described

above in this paragraph (b), collectively, being the “Opening Match”). All AGID modifiers, as defined in Rule 11.190(e), will not be supported for executions in the Opening Match, but will be enforced on all unexecuted shares released to the Order Book following the Opening Match.

(2) Transition to Regular Market Session. An imbalance of Cross Eligible Orders on the buy side or sell side may result in orders that are not executed in whole or in part. Unexecuted Cross Eligible Orders to buy (sell) that are priced at or above (below) the Cross Price Constraint (but remained unexecuted due to an imbalance of Cross Eligible Orders) will price slide pursuant to IEX Rule 11.190(h) and all remaining unexecuted Cross Eligible Orders, along with any orders that were either ineligible to participate in the Opening Process or too passive to be executed in the Opening Process, will be released to the Order Book for continuous trading or canceled in accordance with the terms of the order. Routable orders that are released to the Order Book will be routed in accordance with IEX Rule 11.230(c)(3) (Re-Sweep Behavior), subject to the order’s instructions.

[Queued Order Modification. Orders queued prior to the Regular Market Session may be modified consistent with Rule 11.190(d).

(1) Any modification to a routable order so queued will result in the time of receipt being updated to the time of receipt of the last modification, pursuant to IEX Rule 11.220(2)(a).

(2) Any modification to a non-routable order so queued may result in the time of receipt being updated to the time of receipt of the last modification consistent with the application of a new timestamp, pursuant to IEX Rule 11.220(2)(a).]

(c) Determination of the Opening Match Price.

(1) Definitions.

i. The term “Away Protected NBB” or “Away Protected NBO” shall mean the national best bid or offer, respectively, that is a Protected Quotation and not a quotation of the Exchange.

ii. The term “Away Protected Bid” or “Away Protected Offer” shall mean a Protected Bid or Protected Offer, respectively, that is not a quotation of the Exchange.

iii. The term “Cross Price Constraint” shall mean, collectively, the upper and lower threshold prices within which the Opening Match must occur, inclusive of the boundaries. During a crossed market, if the upper threshold price is below the lower threshold price when performing the

Opening Process, no Opening Match will occur, orders eligible to post on the Order Book will price slide in accordance with the price sliding process pursuant to IEX Rule 11.190(h), and the security will open for trading on IEX in accordance with prevailing market session rules.

A. The upper threshold price of the Cross Price Constraint is equal to the price of the Away Protected NBO, except in the event that an Away Protected Bid is crossing an Away Protected Offer, the upper threshold price is equal to the greater of five cents (\$0.05) or one half of a percent (0.5%) higher than the lowest Away Protected Offer.

B. The lower threshold price of the Cross Price Constraint is equal to the price of the Away Protected NBB, except in the event that an Away Protected Bid is crossing an Away Protected Offer, the lower threshold price is equal to the greater of five cents (\$0.05) or one half of a percent (0.5%) lower than the highest Away Protected Bid.

(iv) The term “Cross Tie Breaker” shall mean the price of the most current Order Collar Reference Price pursuant to IEX Rule 11.190(f), rounded to the nearest MPV or Midpoint Price calculated by the System at the start of the Opening Process, whichever is closer.

(2) The Opening Match Price in a Two-sided Market. When the Exchange performs the Opening Process for a security, if both an Away Protected Bid and Away Protected Offer exist for the subject security, the following process will be used to determine the Opening Match Price.

(i) The Opening Match shall occur at the price that maximizes the number of shares of Cross Eligible Orders to be executed;

(ii) If more than one price exists under subparagraph (i) resulting in a cross price range, the Opening Match shall occur at the price at or within such range that is not lower (higher) than the most aggressive unexecuted buy (sell) order;

(iii) If more than one price exists under subparagraph (ii), the Opening Match shall occur at the price closest or equal to the Cross Tie Breaker; and

(iv) If the Opening Match Price established by subparagraphs (i)-(iii) above is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match shall occur at the lower (upper) threshold price of the Cross Price Constraint.

(3) The Opening Match Price in a One-Sided or Zero Market. When the Exchange performs the Opening Process for a security, if there is a lack of an Away Protected Bid and/or Away Protected Offer for the subject security, the following process will be used to determine the Opening Match Price.

(i) The Opening Match shall occur at the price of the Cross Tie Breaker; and

(ii) If the price that exists under subparagraph (i) is below (above) the lower (upper) threshold price of the Cross Price Constraint, the Opening Match shall occur at the lower (upper) threshold price of the Cross Price Constraint, if any.[Queued Order Opening Process. At the commencement of the Regular Hours Trading, orders queued during the Pre-Market Session are processed as incoming orders, consistent with Rules 11.190 and 11.230 in their relative time priority, pursuant to Rule 11.220(2)(a).]

(d) Opening Process Contingency Procedures.

(A) When a disruption occurs that prevents the execution of the Opening Process as set forth above, IEX shall apply the following Opening Process Contingency Procedures.

(i) IEX will publicly announce that no Opening Process will occur. All orders on the Order Book will be canceled, and IEX will open the security for trading without an Opening Match. [All messages relevant to the Order Book received after the commencement of the Regular Market Session will be processed after the completion of the Regular Market Session Opening Process.]

(e) If a security is subject to a halt, suspension, or pause in trading during the Pre-Market Session, the Exchange will not accept orders in the security for queuing on the Cross Book and participation in the [Regular Market Session] Opening Process, or otherwise. Pursuant to IEX Rule 11.271, any order submitted during a halt will be rejected by the System. Any orders resting on the Order Book at the time of a trading halt will not be canceled by the System, and will be unavailable for trading or re-sweep during the trading halt, but will be available for cancelation by the submitting User. If the halt, suspension, or pause remains in effect at the start[time] of [the ]Regular Market Hours[Session Opening Process], the Opening Process will not occur at the normally scheduled time. Instead, [O]nce the security resumes trading, the Exchange will conduct the [Regular Market Session] Opening Process with any Cross Eligible Orders that remain. [for any orders in the queue, then] Following the conclusion of the Opening Process, the Exchange will accept and execute orders as usual in accordance with prevailing market session rules.

(f) Pursuant to Rule 611(b)(3) of Regulation NMS, and section VI(D)(6) of the Plan

to Implement a Tick Size Pilot Program, orders executed in the Opening Process shall constitute a single-priced opening transaction by the Exchange and may trade-through or trade-at the price of any other Trading Center's Manual or Protected Quotations.

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#### Rule 11.190. Orders and Modifiers

Users may enter into the System the types of orders listed in this IEX Rule 11.190, subject to the limitations set forth in this IEX Rule or elsewhere in the IEX Rules. Order, modifier, and parameter combinations which are disallowed by the Exchange may be rejected, ignored, or overridden by the Exchange, as determined by the Exchange to facilitate the most orderly handling of User instructions.

(a) General Order Types.

(1) No change.

(A) – (G) No change.

(2) Market Order. An order to buy or sell a stated amount of a security that is to be executed at or better than the NBBO at the time the order reaches the Exchange. Market orders shall not trade through Protected Quotations. Any portion of a market order that is designated as “IEX Only” will be canceled if, upon receipt by the System, it cannot be executed by the Exchange in accordance with Rules 11.230 and 11.230(a). Any portion of a market order that is not designated as “IEX Only,” i.e. routable orders as described in IEX Rule 11.230(b), and that cannot be executed in full in accordance with Rule 11.230(a)(1) and 11.230(a) on the Exchange when reaching the Exchange will be eligible for routing away pursuant to IEX Rule 11.230(a)(2). A routable market order will trade at increasingly aggressive prices, fully satisfying all Protected Quotations, until the order is fully filled, reaches the LULD Price [b]Band, or reaches the Router Constraint, as defined in IEX Rule 11.190(f)(2). A market order:

(A) – (D) No change.

(E) May only trade during the Regular Market Session. Market orders submitted in the Pre-Market Session may queue for the Opening Process as defined below. [be submitted during the Regular Market Session.]

Market orders submitted in the [Pre-Market Session or] Post-Market Session will be rejected by the System.

(i) – (ii) No change.

(iii) Market orders marked DAY, by default, are rejected. When elected by the User, Market orders marked DAY submitted by that User are accepted. Market orders marked DAY submitted before the open of the Regular Market Session are queued by the System until the Opening Process, pursuant to IEX Rule 11.231, except market orders marked DAY that are designated to route pursuant to Rule 11.230(c). [and eligible to trade or route during the Regular Market Session.] Market orders marked DAY are eligible to trade or route during the Regular Market Session and treated by the System as having a TIF of IOC.

(iv) – (vi) No change.

(F) – (G) No change.

(3) No change.

(A) – (E) No change.

(i) – (vi) No change.

(F) – (G) No change.

(4) No change.

(b) No change.

(1)-(10) 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)-(E) No change.

(F) May be entered during the Pre-Market Session, Regular Market Session, and Post-Market Session. MQTY are not eligible to participate in

the Opening Process pursuant to IEX Rule 11.231.

(G)-(H) No change.

(12) No change.

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Rule 11.220. Priority of Orders

(a) No change.

(1) No change.

(A) – (C) No change.

(2) Orders [queued for the Opening Process] resting on the Order Book shall be ranked and maintained for the Opening Process based on the following priority:

(A) Price. The best priced Cross Eligible Order (the highest priced resting order to buy or the lowest priced resting order to sell) has priority over all other orders to buy (or orders to sell) in all cases. Market orders have precedence over limit orders. Cross Eligible Orders resting on the Continuous Book are ranked by the price at which they are resting on the Continuous Book; Cross Eligible Orders resting on the Cross Book are ranked by the limit price defined by the User, if any, except in the case of pegged orders, which are ranked by their current booked price (in each case, the order's "resting price").

(B) Display. Equally priced Cross Eligible Orders are ranked by display priority. Displayed orders and displayed portions of Cross Eligible Orders will have precedence over non-displayed orders and non-displayed portions of Cross Eligible Orders at a given price.

(C) Time. Equally priced Cross Eligible Orders with the same display priority are ranked in time priority. Where Cross Eligible Orders to buy (or sell) are ranked at the same price with the same display priority, the oldest order at such price and display shall have precedence at that price and display. Orders are ranked by the time at which they are posted to the Order Book at a given price, the first to be posted at a given price being the oldest. Cross Eligible Orders maintain their time priority once booked until one of the following occur, at which time the order will receive a new timestamp:

(i) An order on the Cross Book is incremented by the User;

(ii) An order on the Cross Book is re-priced by the User;

(iii) The Minimum Quantity instruction is removed from an order by the User, and therefore becomes a Cross Eligible Order;

(iv) A pegged order on the Cross Book is re-priced by the System in response to changes in the NBBO;

(v) Pursuant to IEX Rule 11.231(a)(1)(ii) and (iii), respectively, when exercising price discretion, primary peg and Discretionary Peg orders maintain time priority at their resting price, however they are prioritized behind any non-displayed interest at the Opening Match Price for the duration of the Opening Process; or

(vi) Any one of the events specified in IEX Rule 11.220(a)(1)(C) occurs to an order on the Continuous Book.

[(A) Time. The order clearly established as the oldest in the System shall have precedence among those queued for the Opening Process, up to the number of shares of stock specified in the order. Orders are ranked by the time at which they are submitted to the queue, the first to be queued being the oldest. Orders maintain their time priority once queued unless one of the following occur, at which time the order will receive a new timestamp:

(i) IEX Only Orders. An amendment to the order is submitted by the User by means of a Cancel/Replace pursuant to IEX Rule 11.190(d), except in the event that the only change to the order is a decrease in share quantity, in which case the order will not receive a new timestamp.

(ii) Routable Orders. An amendment to the order is submitted by the User by means of a Cancel/Replace pursuant to IEX Rule 11.190(d).]

(3) – (8) No change.

(b) No change.

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