24X National Exchange LLC
Date of filing: October 23, 2024
Date as of which the information is accurate: October 23, 2024

EXHIBIT E

Describe the manner of operation of the System. This description should include the following:

1. *The means of access to the System.*
2. *Procedures governing entry and display of quotations and orders in the System.*
3. *Procedures governing the execution, reporting, clearance and settlement of transactions in connection with the System.*
4. *Proposed fees.*
5. *Procedures for ensuring compliance with System usage guidelines.*
6. *The hours of operation of the System, and the date on which applicant intends to commence operation of the System.*
7. *Attach a copy of the users' manual.*
8. *If applicant proposes to hold funds or securities on a regular basis, describe the controls that will be implemented to ensure safety of those funds or securities.*

24X National Exchange Introduction[1]

24X National Exchange LLC (the "**Exchange**" or "**24X**") proposes to register as a national securities exchange under Section 6 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The Exchange will be owned by its parent company, 24X US Holdings LLC, which will elect all directors of the Board of Directors of the Exchange. However, Section 6.1(d) of the Exchange LLC Agreement provides a process by which members of the Exchange (the "**Members**") may nominate representatives to the Board that complies with the requirement for fair representation of Members in the selection of directors. The Members will consist of those broker-dealers admitted to transact business on the Exchange. Members will be subject to the Rules of the Exchange, and will have representation on the Exchange's Board of Directors and committees. Members who are not also Unit holders of 24X US Holdings LLC or 24X Bermuda Holdings LLC will not have any ownership interest in the Exchange.

[1] Capitalized terms not otherwise defined in this Exhibit E shall have the meanings ascribed to them in Exhibit B (Rules of the 24X Exchange).

Once registered, the Exchange will operate a fully automated electronic trading platform (the "**System**") to buy or sell securities with a continuous, automated matching function, as described in Chapter 11 of the proposed Exchange Rules. Liquidity will be derived from quotes as well as orders to buy and orders to sell submitted to the Exchange electronically by Members from remote locations. There will be no physical Exchange trading floor.

Access to the Exchange will be open to any broker-dealer registered under Section 15(b) of the Exchange Act that meets the standards for membership set forth in Chapter 2 of the Exchange's Rules. There will be one class of membership, with all enjoying the same rights and privileges. Members may further register as Market Makers subject to the requirements and obligations of proposed Exchange Rules 11.17 through 11.20. Members may be subject to fees for executions on the Exchange as set forth in the Rules of the Exchange or as may otherwise be determined by the Exchange from time to time pursuant to a fee schedule, subject to filing with the Commission. Exchange membership will not be transferable except in the event of a change in control of a Member, and such transfer will be subject to the written consent of the Exchange, and to any conditions to such transfers imposed by the Exchange. A more detailed description of the membership criteria is set forth in Chapter 2 of the Exchange's rules. See Exhibit B to this Application.

Special Considerations Related to Trading and Operations Technology

1. 24X contract with MEMX Technologies for trading technology and systems

The Exchange utilizes trading technology and systems (collectively, the "**System**") that were developed by MEMX Technologies LLC ("**MEMX Technologies**"), a subsidiary of MEMX Holdings LLC (together with its subsidiaries, "**MEMX**"), and provided to the Exchange pursuant to a Delivery, Licenses and Services Agreement ("**DLSA**") between MEMX Technologies and the Exchange. MEMX Technologies is affiliated with a registered national securities exchange, MEMX LLC ("MEMX Exchange"), which is not a party to the DLSA.

2. 24X and MEMX will be independent of each other

The System will be developed and maintained by MEMX Technologies pursuant to the terms of the DLSA. 24X market operations staff will be responsible for the daily operations of 24X's market, using the System and tools provided by MEMX Technologies for that purpose. MEMX Technologies will be responsible for monitoring the functioning of the logical and physical infrastructure of the System, receiving and responding to inquiries from 24X staff relating to the use and operation of the System, and performing all necessary maintenance and remediation of problems relating to the logical and physical infrastructure, in accordance with the service levels described in the DLSA.

24X does not own the System but has obtained all necessary licenses and authorizations from MEMX Technologies in order for 24X and its Members and users to fully utilize the System and

as such, the System is a facility of 24X. To ensure logical and physical separation from MEMX Technologies and its affiliates, the System will operate a separate instance of MEMX Technologies' core matching engine technology and software, utilizing separate servers from MEMX Exchange system and separate connections for Members to connect to 24X. Under the terms of the DLSA, 24X may request MEMX Technologies to develop and implement (for a fee to be determined by the parties) technology changes that change the operation of the 24X system. 24X is not obligated to agree to, accept, or adopt changes to the System that are not essential to the operation of its instance of the System.

24X will interact with MEMX Exchange including its routing broker-dealer, on the same arms-length commercial terms as 24X interacts with other registered national securities exchanges and their routing broker-dealers. Membership in the MEMX Exchange will not confer any advantages when trading on 24X (or vice versa), such as faster connections, lower fees, or preferential treatment of orders on the 24X System. Membership in the MEMX Exchange will also not be a requirement for membership in or connection to 24X (or vice versa).

3. Structure of the agreement between 24X and MEMX

The delivery of services will be governed by the DLSA, which will have a multi-year term with automatic renewal provisions. The DLSA will include a period between the delivery of the System to 24X and the launch date of the Exchange to run industry connectivity testing and other functional-based testing. Termination of the DLSA and the transition of the System to another service provider, whether initiated by MEMX Technologies, 24X or by mutual agreement is subject to oversight by the Commission through the filing by the Exchange of one or more filings pursuant to Section 19 of the Exchange Act and Rule19b-4 thereunder. In order to ensure that the Exchange can continue to operate without interruption, any termination of the DLSA will require MEMX Technologies to provide an adequate period for the Exchange to transition the System to another platform, including a reasonable period for industry-wide testing of such platform. The phrase "adequate period" as used herein means a sufficient amount of time to ensure that the Exchange is able to operate the System on a new platform, and has obtained all necessary regulatory approvals to commence operations on the new platform. The phrase "reasonable period" as used herein means a sufficient amount of time for the Exchange to conduct industry-wide testing of the platform, remediate any identified deficiencies, and certify that Members and other necessary parties will be able to connect to the System.

The DLSA will govern (i) the delivery and licensing of certain software and hardware for operation of the System, (ii) the development and testing of software necessary for connectivity to other 24X and/or third-party developed functions and certain other software necessary to support trading on 24X, and (iii) the provision of certain operational and support services related to the System. The DLSA allocates responsibilities between MEMX Technologies and 24X, and includes service levels, standard operating procedures and expectations, and procedures for escalation in case of any disputes. The DLSA also contains a communications protocol (the "Communication

Protocol") that describes the interactions between MEMX Technologies support staff and 24X market operations staff.

In order for 24X to perform its regulatory obligations, the DLSA provides 24X with enumerated audit rights to review books and records of MEMX Technologies related to the provision of services under the DLSA, and the ability either to produce itself, or direct MEMX Technologies to produce, MEMX Technologies documents and information related to the operation of the System to the Commission or other regulators or parties upon request, subject to appropriate due process.

4. Regulation SCI Compliance

Regulation Systems Compliance and Integrity ("**Regulation SCI**") requires self-regulatory organizations (which are included in the definition in the regulation as "SCI entities") to have, among other things, robust and resilient technological systems that ensure the self-regulatory organization's own operational capability, including the ability to maintain effective operations, minimize or eliminate the effect of performance degradations, and have sufficient backup and recovery capabilities. Specifically, Regulation SCI Rule 1001(a) requires each SCI entity to establish, maintain and enforce written policies and procedures reasonably designed to ensure that its direct and indirect SCI systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain the SCI entity's operational capability and promote the maintenance of fair and orderly markets.

a. 24X's status as an SCI entity

As contemplated by the Commission when it adopted Regulation SCI, 24X is an SCI entity,[2] notwithstanding that it has determined to contract with MEMX Technologies to provide software and hardware necessary to operate SCI systems, including both SCI systems and indirect SCI systems that, if breached, would be reasonably likely to pose a security threat to SCI systems.[3] Although MEMX Technologies is affiliated with MEMX Exchange, which is a Regulation SCI entity, MEMX Technologies itself is not an SCI Entity by virtue of such affiliation.[4]

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[2] *See* Regulation SCI Rule 1000, 17 C.F.R. §242.1000 (defining an SCI entity as "an SCI self-regulatory organization, SCI alternative trading system, plan processor, exempt clearing agency subject to ARP, or SCI competing consolidator") (emphasis added).

[3] *See* Regulation SCI Rule 1000, 17 C.F.R. §242.1000 (defining "indirect SCI systems to mean any systems or operated on behalf by or on behalf of, an SCI entity that, if breached, would be reasonably likely to pose a security threat to SCI systems").

[4] *See* Regulation SCI Rule 1000. *See also* Securities Exchange Act Rel. No. 73639 (November 14, 2014), 79 Fed. Reg. 72252, 72276 (December 5, 2014) (distinguishing between SCI systems and SCI entities; noting that the nature and functions of a system are dispositive of whether it is an SCI system, not whether the system is operated by an SCI entity or by a third party on behalf of an SCI entity; and reiterating that "if an SCI entity determines to utilize a third party for an applicable system, it [the SCI entity] is responsible for having in place processes and requirements

As the SCI entity contracting with MEMX Technologies to provide software and hardware to operate SCI systems (both direct and indirect), 24X will have full responsibility for ensuring that it is in compliance with all aspects of Regulation SCI, including the requirements for its backup and recovery capabilities. To ensure that 24X can meet its Regulation SCI obligations in light of the contractual relationship between the parties, 24X and MEMX Technologies have agreed to certain service levels in connection with Regulation SCI, which are described in the Service Levels Annex to the DLSA. 24X acknowledges that, even if there were a breach that was proximately caused by MEMX Technologies' failure to maintain required service levels, notwithstanding any contractual remedies that 24X may have against MEMX Technologies, 24X would retain regulatory responsibility for any non-compliance by the Exchange with Regulation SCI.

b. Allocation of Regulation SCI-related functions between 24X and MEMX

The DLSA and the Service Levels Annex clearly delineate the respective rights and obligations of 24X and MEMX Technologies with respect to the capacity, integrity, resiliency, availability, and security of the System, including the requirement that MEMX Technologies conduct appropriate testing of its implementation of the System and any changes, and provide the results of such testing to 24X. If such testing reveals any deficiencies or potential deficiencies with respect to 24X's SCI systems and/or indirect SCI systems, 24X may require MEMX Technologies to address the deficiencies in a timely fashion.

The DLSA also contains provisions that include, but are not limited to, the following:

- Rule 1001(a)(2)(i): 24X has created a 3-year projection of its estimated order and trade volume and reviewed those estimates with MEMX Technologies as part of the comprehensive planning process for licensing MEMX Technologies' technology and ensuring appropriate infrastructure support from MEMX Technologies. The DLSA provisions regarding capacity, as well as the required infrastructure support, reflect those estimates. 24X policy provides that 24X will update its estimates annually based on its projected business activities for the next year and will review those estimates with MEMX Technologies. Separately, 24X and MEMX Technologies will periodically review the actual volume of orders and trades for 24X and if such volume exceeds initial estimates, 24X will provide revised capacity and infrastructure estimates to MEMX Technologies for planning purposes.

- Rule 1001(a)(2)(ii): The DLSA provides that MEMX Technologies will conduct periodic capacity stress tests of 24X's SCI systems and indirect SCI systems as directed by 24X to determine their ability to process transactions in an accurate, timely, and efficient manner and will share the results of such testing with 24X. If such testing reveals any deficiencies

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to ensure that it is able to satisfy the requirements of Regulation SCI for systems operated on behalf of the SCI entity by a third party.")

or potential deficiencies with respect to 24X's SCI systems and/or indirect SCI systems, 24X may require that MEMX Technologies address the deficiencies in a timely fashion.

- Rule 1001(a)(2)(iii): The DLSA provides that MEMX Technologies will provide policies and procedures to 24X regarding its development and testing methodology for 24X's SCI systems and indirect SCI systems operated on 24X's behalf by MEMX Technologies and will share the results of applicable testing with 24X. If such testing reveals any deficiencies or potential deficiencies with respect to 24X's SCI systems and/or indirect SCI systems, 24X may require that MEMX Technologies address the deficiencies in a timely fashion.

- Rule 1001(a)(2)(iv): The DLSA provides that MEMX Technologies will conduct regular reviews and testing, as directed by 24X, of 24X's SCI systems and indirect SCI systems, including backup systems, to identify vulnerabilities pertaining to internal and external threats, physical hazards, and natural or man-made disasters, and will provide the results of such testing with 24X. If such testing reveals any deficiencies or potential deficiencies with respect to 24X's SCI systems and/or indirect SCI systems, 24X may require that MEMX Technologies address the deficiencies in a timely fashion.

- Rule 1001(a)(2)(vi): The DLSA requires that MEMX Technologies maintain the System in a manner that will facilitate the successful collection, processing, and dissemination of market data.

- Rule 1001(a)(2)(vii): The DLSA requires MEMX Technologies to provide real time and periodic tools for 24X market operations staff to monitor the System for potential SCI events.

c. Disaster Recovery and Business Continuity

Regulation SCI Rule 1001(a)(2)(v) requires business continuity and disaster recovery ("BCP/DR") plans that include maintaining backup and recovery capabilities that are both sufficiently resilient and geographically diverse and that are reasonably designed to achieve next business day resumption of trading and two-hour resumption of critical SCI systems following a wide-scale disruption. To be deemed sufficiently resilient, Regulation SCI has established a goal for SCI entities of next business day resumption of trading and two-hour resumption of critical SCI systems following a wide scale disruption. To be considered geographically diverse, Regulation SCI provides a reasonable degree of flexibility to an SCI entity to determine the precise nature and location of its backup site. Regulation SCI does not specify a minimum distance from an SCI entity's backup and recovery facilities. However, the backup site should not rely upon the same infrastructure components nor be subject to the same vulnerabilities or risks as its primary site. It should be noted that the Exchange does not plan to initially operate any critical SCI systems and therefore will not be required to meet the two-hour resumption of service goal set forth in Regulation SCI.

24X will adopt, implement, and update as necessary BCP/DR plans for the Exchange that meet or exceed the minimum obligations of Regulation SCI. As per the DLSA, the Exchanges' BCP/DR plans in general and its backup data center in particular will be robust and resilient. The Exchange plans to be primarily operated out of a third-party data center in New Jersey (the "**Primary Data Center**"). The Exchange plans to have its secondary site (the "**Secondary Data Center**") located in a third-party data center in Illinois. Exchange personnel will operate primarily out of Exchange offices in Connecticut and New York. As described below, in the event of a wide-scale disruption that forces the Exchange to activate its back-up recovery sites, the Exchange's staff will follow 24X's then-current BCP/DR plan, which will meet or exceed the minimum requirements of Regulation SCI. The DLSA provides that MEMX Technologies will ensure that in the event of a wide-scale disruption, its staff assigned to support the System are able to function in that capacity on 24X's behalf.

The topology of the system will include complete redundancy of software level components such that a failure of a single software component, due to server hardware or network device failures, will recover to a backup instance. Depending on the specific failed component, redundancy will be able to exist within the primary system or within an independent secondary hardware system. In the event that the Primary Data Center is not available, the Secondary Data Center will be available for the site failover. The systems deployed in the Secondary Data Center will be designed, deployed and tested to be sufficiently resilient and comply with the Regulation SCI requirement to be operational within two hours for Critical SCI systems, and no later than the next business day following a wide-scale disruption for non-Critical SCI systems.

The Secondary Data Center selected for the Exchange will be in accordance with the Regulation SCI requirements for maintaining backup and recovery capabilities that are both sufficiently resilient and geographically diverse. The Secondary Data Center will be more than 500 miles away from the Primary Data Center with reasonable geographical and supporting infrastructure diversity. In accordance with Regulation SCI requirements, the supporting framework will be designed and implemented to operate and maintain robust and resilient technological systems that ensure the Exchange's own operational capability. This will include the ability to maintain effective operations, minimize or eliminate the effect of performance degradations, and provide sufficient backup and recovery capabilities. The supporting framework will also facilitate maintaining and enforcing written policies and procedures reasonably designed to ensure that its direct and indirect SCI systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain 24X's operational capability and promote the maintenance of fair and orderly markets.

In addition, with respect to personnel necessary to operate the Exchange's market in the event of a wide-scale disruption that forces the Exchange to activate its back-up recovery sites, the

Exchange's staff will follow 24X's then-current BCP/DR plan, which shall meet or exceed the minimum requirements of Regulation SCI. Should the Exchange need to operate in a Disaster Recovery mode, all of the Exchange's market and technology operations staff will have the full set of tools necessary to operate the market as described in the 24X Business Continuity Plan. Additionally, staff members of each of these departments will work, on a rotating schedule, to enact 24X's then-current BCP/DR plan, which shall meet or exceed the minimum requirements of Regulation SCI, in order to ensure that their remote configuration is fully functioning and that there are no issues interacting remotely with the Exchange or any of its supporting systems. In accordance with Rule 1001(a) of Regulation SCI, the Exchange will have written policies and procedures in place that reflect its operational capabilities, including the ability to maintain effective operations, minimize or eliminate the effect of performance degradations, and have sufficient backup and recovery capabilities. During the 24X Market Session, the Exchange will have responsible Regulation SCI Personnel available to appropriately address any SCI Event, including any required notifications, in accordance with Rule 1002 of Regulation SCI. MEMX Technologies will be required under the DLSA to have in place, maintain as current, and follow a Business Continuity Plan for the continued operation of the System (including SCI systems and Indirect SCI systems operated on behalf of 24X). Pursuant to the DLSA, 24X will review MEMX's Business Continuity Plan at least annually or more frequently as necessary in response to events or conditions and update or modify its own BCP/DR plan(s) to ensure ongoing compliance with Regulation SCI.

Proposed Exchange Rule 2.4 (Mandatory Participation in Testing of Backup Systems) provides that pursuant to Regulation SCI and with respect to the Exchange's business continuity and disaster recovery plan, including its disaster recovery systems, the Exchange is required to establish standards for the designation of Members that the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans. The Exchange will establish standards and will publish such standards in a circular to Members prior to launch of the Exchange and will designate Members according to those standards as set forth below. All Members will be permitted to connect to the Exchange's disaster recovery systems and to participate in testing of such systems.

Proposed Exchange Rule 2.4 further provides that certain Members will be required to connect to the Exchange's disaster recovery systems and participate in functional and performance testing as announced by the Exchange, which will occur at least once every 12 months. As provided by Proposed Exchange Rule 2.4, Members that have been determined by the Exchange to contribute a meaningful percentage of the Exchange's overall volume must participate in mandatory testing of the Exchange's backup systems. The percentage of volume that the Exchange considers to be meaningful will be determined by the Exchange and will be published in a circular distributed to Members. The Exchange will provide at least six months' prior notice to a Member that is designated for mandatory testing. Any changes to the designation standards will be published by

the Exchange in a circular distributed to Members in advance of the start of any measurement quarter and will not be applied retroactively to any measurement quarter then completed or in progress.

d. Regulation SCI Events

The DLSA also establishes service levels for responding to potential SCI events. Regulation SCI Rule 1002(a) requires an SCI entity to take appropriate corrective action to mitigate potential harm to investors and market integrity, and to devote adequate resources to remedy the SCI event as soon as reasonably practicable. MEMX Technologies may take the initial steps to respond to an SCI event due to MEMX Technologies' expertise, direct access to systems, and more timely information, provided that MEMX Technologies provides timely notice to 24X of any actions taken. 24X acknowledges that even in cases where MEMX Technologies is the initial entity responding to a potential SCI event on 24X's behalf, 24X remains responsible for ensuring compliance with Regulation SCI.

Regulation SCI Rule 1001(c) requires each SCI entity to establish, maintain, and enforce reasonably designed written policies and procedures that include criteria for identifying responsible SCI personnel, the designation and documentation of such personnel, and the escalation procedures to quickly inform such personnel of potential SCI events. As noted above, under the DLSA, 24X market operations personnel will conduct real-time monitoring of the System to identify potential SCI events. 24X policies and procedures identify both the responsible SCI personnel for 24X, and the escalation procedures when there is a potential SCI event. In addition, if personnel of MEMX Technologies detect a potential SCI event, the DLSA requires MEMX Technologies to promptly notify 24X personnel so that they can respond and/or escalate as necessary. The DLSA's Communications Protocol contains procedures for notifying 24X when there is a potential SCI event.

e. Oversight and Reporting

The DLSA requires in the ordinary course of business that MEMX Technologies will make available to 24X all necessary information and data to enable 24X to meet its regulatory obligations under Regulation SCI pursuant to Rule 1003(a) (regarding material changes to an SCI system or the security of indirect SCI systems), and will assist 24X in facilitating all required SCI reviews pursuant to Rule 1003(b), including timely responding to inquiries, providing data and information in connection with MEMX Technologies' testing of 24X SCI systems and system changes as directed by 24X pursuant to Rule 1001(b), and permitting timely inspection of MEMX Technologies facilities and books and records related to its operation of direct and indirect SCI systems on 24X's behalf.

Regulation SCI Rule 1002(b) requires that whenever a responsible SCI person has a reasonable basis to conclude that an SCI event has occurred, the SCI entity must report the SCI event to the Commission immediately and must submit a written notification pertaining to such SCI event

within 24 hours. To ensure that 24X has sufficient information about a potential SCI event to meet its regulatory obligations under the rule both at the time of occurrence and within the following 24 hours, the DLSA and the Communication Protocol require MEMX Technologies to provide 24X with information and data about any potential SCI event, and reasonable access to essential MEMX Technologies personnel to respond and interpret the information and data on a real-time basis (i) when an SCI event occurs, (ii) during the 24 hours after an event, and (iii) as required by 24X, the Commission, or others thereafter. The Communication Protocol also ensure that 24X will be able to provide timely notice and information to Members and participants of 24X who may have been affected by the SCI event (or all Members and participants, if the SCI event is classified as a "major SCI event") regarding any SCI event, and timely updates as needed, as described in Regulation SCI Rule 1002(c).

f. Recordkeeping related to Compliance with Regulation SCI

Regulation SCI Rule 1005(a) requires 24X to make, keep, and preserve all documents relating to its compliance with Regulation SCI as prescribed by Exchange Act Rule 17a-1. In addition to the reporting obligations described elsewhere in this Exhibit E, the DLSA supports this obligation by providing that all records made, collected, or otherwise created by MEMX Technologies in the course of performing services under the DLSA will be deemed to be property of 24X, and will be furnished to 24X upon request.

Operation of the Exchange

This exhibit describes, in summary form, the proposed operation of the Exchange. A more detailed description of the proposed Exchange is set forth in the proposed Exchange Rules. See Exhibit A (the Exchange Certificate of Formation and LLC Agreement) and Exhibit B (the Rules of the Exchange) to this Application.

1. The means of access to the System

Member Access. Members of the Exchange will be permitted to access the Exchange electronically through the use of a variety of systems. The Exchange will not accept telephone orders.

The Exchange has designed its systems to allow its Members to individually determine the best method for accessing the Exchange. Thus, Members may develop their own customized front-end software using protocols determined by the Exchange, or may use third-party vendors to route orders to the Exchange through a front-end or service bureau configuration. Users will be able to access the Exchange remotely through a variety of methods and connections that support a minimum data exchange rate, as may be determined by the Exchange from time to time.

Direct access to the Exchange is available to Members at an Internet Protocol ("**IP**") address by one or more of the following methods: (i) electronic access at the Exchange's IP network address by the Member's own software, via communications that are compliant with the Financial

Information Exchange ("**FIX**") protocol application programming interface ("**API**") provided by the Exchange; (ii) electronic access at the IP network address maintained by the Exchange by the Member's own software that is compliant with the API provided by the Exchange; or (iii) other means of access provided from time to time by the Exchange.

Members provide a unique IP address to the Exchange for each requested connection, and the Exchange then configures its routers to only allow access from the Member's IP address to a dedicated IP address on the Exchange's network. By requiring the use of a registered IP address, the Exchange assures that only authorized Members will have access.

Members will be responsible for having procedures reasonably designed for safeguarding access to the Exchange and for notifying the Exchange upon learning that such safeguards have been compromised. Connectivity to the Exchange will occur through secure telecommunications "ports" or points of entry. Each Member will be assigned a specific port or multiple ports, each of which has a set of unique Exchange-provided login credentials assigned to that Member's registered IP address.

As necessary, the Exchange will join any applicable plan that other national securities exchanges and/or Market Centers (as such term is defined in Rule 600(b)(38) of Regulation NMS) have joined (the "**Plans**"). For example, the Exchange plans to become a participant in the NASDAQ-Unlisted Trading Privileges Plan ("**Nasdaq-UTP Plan**") as well as the Consolidated Tape Association ("**CTA**") Plan and Consolidated Quotation ("**CQ**") Plan (or its successor plan) and will collect and submit to the relevant Plan processor the best priced buy order and the best priced sell order displayed on the Exchange in Eligible Securities, as defined in these Plans. The Exchange is working with such Plans to expand their operation to include the 24X Market Session. The Exchange will likewise join all other applicable Plans as deemed necessary and in the interest of its Users, including, but not limited to, the NMS Plan to Address Extraordinary Market Volatility, the NMS Plan Governing the Consolidated Audit Trail (the "**CAT NMS Plan**"), the NMS Plan for the Selection and Reservation of Securities Symbols, and the 17d-2 Plans for Allocation of Regulatory Responsibilities.

Sponsored Participant Access to the Exchange. Non-members also may access the Exchange pursuant to Exchange Rules governing "sponsored access" to the Exchange. The Exchange plans to permit access to the Exchange by entities ("**Sponsored Participants**") whose access is authorized in advance by entering into an arrangement with one or more Member ("**Sponsoring Member**") in accordance with Exchange Rules. The Sponsoring Member must agree to be responsible for all trading conducted pursuant to that arrangement to the same extent as trading conducted by the Member for customers. The Sponsoring Member is responsible for implementing policies and procedures for supervising and monitoring the trading effected pursuant to the arrangement to ensure that it is in compliance with all applicable federal securities laws and rules and Exchange rules. In addition, Sponsored Participants must agree to comply with all applicable

Rules of the Exchange governing the entry, execution, reporting, clearing and settling of orders in securities eligible for trading on the Exchange.

2. Procedures governing entry and display of quotations and orders in the System.

Entry of Orders/Quotes on the Exchange. The Exchange will accept the submission of orders by Exchange Members in securities admitted to unlisted trading privileges ("**UTP**") on the Exchange.

Orders will be accepted for any such security, whether submitted by a Member on a proprietary or agency basis, in any size limited to a maximum of 1,000,000 shares or $30,000,000.00, whichever is higher. The unit of trading in stocks is one share. Orders may be submitted in round lots, mixed lots, or odd lots. To reduce the possibility of the entry of erroneously large orders, the Exchange will provide Members with the ability to establish parameters as to the maximum number of shares that can be entered on their behalf or on behalf of their clients in any given order.

Members may submit the orders with time-in-force terms set forth in proposed Exchange Rule 11.7. Each of these types of orders and time-in-force terms are described in detail in proposed Exchange Rule 11.7.

Members will also be permitted to enter short sales, in accordance with the provisions of Regulation SHO under the Exchange Act. The Exchange will treat locked and crossed markets as set forth in Chapter 11 of the proposed Exchange Rules.

The Exchange will maintain a full audit trail of every order submitted to the Exchange. Members may receive status reports regarding orders submitted to the Exchange or change or cancel an order at any time before that order is executed on the Exchange.

All securities will be traded in decimals on the Exchange. Bids, offers, or orders in securities traded on the Exchange shall not be made in an increment smaller than: (i) $0.01 if those bids, offers, or orders are priced equal to or greater than $1.00 per share; or (ii) $0.0001 if those bids, offers, or orders are priced less than $1.00 per share; or (iii) any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of SEC Rule 612(a) or 612(b) of Regulation NMS. The minimum price increment for orders for securities traded on the Exchange will be determined from time to time by the Board, consistent with any Commission rules or regulations adopted in this regard.

Display of Orders/Quotes. All orders/quotes submitted to the Exchange will be displayed unless designated otherwise by the Member submitting the order. Orders/quotes submitted to the Exchange shall be displayed on an anonymous basis at the price specified by the submitting Member, subject to the terms of the order. Non-displayed orders will not be displayed to any Members and will not have time priority over displayed orders.

Routing. The Exchange may automatically route orders to other exchanges under certain circumstances through the use of one or more routing brokers that are not affiliated with the

Exchange. For all routing services, the Exchange will determine the logic that provides when, how, and where orders are routed away to other Trading Centers. These Routing Services are described further in the Rules of the Exchange, including Rules 2.11 and 11.10.

3. Procedures governing the execution, reporting, clearance and settlement of transactions in connection with the System.

Order Priority. Proposed Exchange Rule 11.8 describes the priority given to orders on the Exchange. As described in this Rule, orders of Users are ranked and maintained in the 24X Book based on price/time priority. The highest-priced order to buy (lowest-priced order to sell) shall have priority over all other orders to buy (sell) in all cases. Rule 11.8 describes how orders will be ranked based on time when orders to buy (sell) are entered into the System at the same price.

Execution of Orders. Subject to the restrictions under the proposed Exchange Rules or the Exchange Act and the rules and regulations thereunder (including those related to Regulation SHO, Regulation NMS, and the Limit Up/Limit Down Plan), orders to buy and sell will be matched for execution in accordance with proposed Exchange Rule 11.9. An incoming order shall first attempt to be matched for execution against orders in the 24X Book as described in proposed Exchange Rule 11.9, unless the User instructs the System to bypass the 24X Book and route the order to an away Trading Center, in accordance with Exchange Rules. An incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds any order to sell in the 24X Book and is executable. Such order to buy will be executed at the price(s) of the lowest order(s) to sell having priority in the 24X Book. An incoming order to sell will be automatically executed to the extent that it is priced at an amount that equals or is less than any other order to buy in the 24X Book and is executable. Such order to sell shall be executed at the price(s) of the highest order(s) to buy having priority in the 24X Book. An order will be returned to the User, if based on market conditions, User instructions, applicable Exchange Rules and/or the Exchange Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to proposed Exchange Rule 11.10 or cannot be posted to the 24X Book.

Subject to any trading pauses, halts or suspensions as described in the Rules, trading will be continuous during the 24X Trading Day, despite the designation of specified times for the Pre-Market Session, Core Market Session, Post-Market Session and 24X Market Session. As described in Rule 1.5(b) and Rule 11.6, Regular Hours Only ("RHO") orders entered outside the Core Market Session, or during the Core Market Session but prior to the commencement of trading, will commence trading once the security has begun trading on the primary listing market on or after 9:30:00 am Eastern Time. For all other orders eligible to trade in the Core Market Session other than RHO Orders, trading will be continuous in the Core Market Session, with no pause in trading related to the commencement of trading on the primary listing market.

Erroneous Executions. Proposed Exchange Rule 11.14 (Clearly Erroneous Executions) permits the Exchange to address those instances in which transactions occurring on the Exchange involve obvious errors ("**Clearly Erroneous Rule**"). Under the Clearly Erroneous Rule, Members receiving an execution based on the entry of a buy or sell order that was clearly in error – in terms of price, quantity, or identification of the proper symbol for a security – will be permitted to request that the Exchange void or modify the transaction. Designated Exchange officials will review the transaction to determine whether, in fact, the transaction was clearly erroneous. If such officials determine that a trade is clearly erroneous, they shall void or modify the terms of the trade to achieve an equitable rectification of the error. A Member may appeal the initial decision by Exchange officials to the Clearly Erroneous Execution Panel, which will be comprised of the CRO, or a designee of the CRO, and representatives from two (2) Members. An officer of the Exchange also will have the authority, on his or her own motion, to review and declare null and void, or otherwise modify the terms of, transactions arising out of the use of the Exchange's order book during a period of disruption or malfunction, or in the event of extraordinary market conditions or other circumstances in which the nullification or modification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest.

Trade Reporting. The Exchange intends to become a participant in the CTA Plan and will report trades in Eligible Securities (as defined in the CTA Plan) pursuant to the terms of the plan. Similarly, the Exchange expects to join the Nasdaq-UTP Plan and will report trades in Nasdaq securities traded on the Exchange that have been admitted to unlisted trading privileges pursuant to the provisions of that plan.

CAT NMS Plan. The Exchange intends to join the CAT NMS Plan. Each Participant of the CAT NMS Plan is required to enforce compliance by its Industry Members, as applicable, with the provisions of the CAT NMS Plan, by adopting a Compliance Rule applicable to their Industry Members. The rules set forth in proposed Exchange Rules 4.5 through 4.17 set forth the Compliance Rule to require Industry Members to comply with the provisions of the CAT NMS Plan. The Exchange Rules include twelve rules covering the following areas: (1) definition; (2) clock synchronization; (3) Industry Member data reporting; (4) customer information reporting; (5) Industry Member information reporting; (6) time stamps; (7) clock synchronization rule violation; (8) connectivity and data transmission; (9) development and testing; (10) recordkeeping; (11) timely, accurate and complete data; and (12) compliance dates.

Clearance and Settlement of Exchange Trades. The Exchange will require each Member to be a member of a registered clearing agency or clear its transactions through a Member that is a member of a registered clearing agency.

4. Proposed fees.

In accordance with proposed Exchange Rule 15.1, the Exchange may prescribe such reasonable fees, and assessments or other charges as it may deem appropriate and as consistent with the Exchange Act. The Exchange intends to establish a Fee Schedule setting forth all applicable transaction and other fees. Actual fee amounts and types will not be determined until close to launch of Exchange because they will need to reflect the competitive landscape at that time. The Exchange will file with the Commission any proposed fees as well as any changes thereto pursuant to Section 19 of the Exchange Act and Rule 19b-4 thereunder.

Exchange Members will be subject to fees for orders executed on the Exchange as set forth in the Exchange Rules or as may otherwise be determined by the Exchange's Board from time to time. The Exchange may also charge, among others, membership fees, regulatory charges, permit application fees, market data fees, co-location fees, connectivity fees, and bandwidth fees. Exchange Members will be solely responsible for all telecommunications costs and all other expenses incurred in linking to, and maintaining links to, the Exchange. The Exchange may determine to revise or impose different fees upon its Members and Sponsoring Members from time-to-time.

5. Procedures for ensuring compliance with System usage guidelines.

The Exchange System contains embedded Member order/quote entry and trade guidelines. All data representing an order/quote must comply with these guidelines. Members cannot override these embedded guidelines. With respect to technical standards, prior to allowing a new Member to begin trading, the Exchange and the Member will thoroughly test the Member's connectivity. In addition, the Member may enter orders/quotes in test securities to ensure compatibility with the Exchange's system protocol. A Member may begin trading only after the Exchange is satisfied that both the Member's hardware and software meet the Exchange's standards.

Members also must agree to maintain an adequate connection to the Exchange as defined from time to time by the Exchange that includes a connection of sufficient speed and equipment of minimum quality.

6. The hours of operation of the System, and the date on which applicant intends to commence operation of the System.

The Exchange is open for trading from Sunday at 8:00 p.m. Eastern Time through Friday at 7:00 p.m. Eastern Time in accordance with the definitions of Pre-Market Session, Core Market Session, Post-Market Session and 24X Market Session as set forth in Rule 1.5, and subject to the trading pauses as described in these Rules. The market session start and end times are as follows (all times are Eastern Time):

- 24X Market Session: (i) 8:00 p.m. ET on Sunday to 4:00 a.m. ET on Monday, unless Monday is not a U.S. Business Day, (ii) 8:00 p.m. ET on Monday to 4:00 a.m. ET on Tuesday, unless Tuesday is not a U.S. Business Day, (iii) 8:00 p.m. ET on Tuesday to 4:00

a.m. ET on Wednesday, unless Wednesday is not a U.S. Business Day, (iv) 8:00 p.m. ET on Wednesday to 4:00 a.m. ET on Thursday, unless Thursday is not a U.S. Business Day, and (v) 8:00 p.m. ET on Thursday to 4:00 a.m. ET on Friday, unless Friday is not a U.S. Business Day. However, as noted in Exchange Rule 1.5(c), notwithstanding anything to the contrary in the Exchange Rules, the Exchange will not commence operation of the 24X Market Session unless (1) the Equity Data Plans have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information during the 24X Market Session that is equivalent to the mechanism established for Exchange Trading Hours other than the 24X Market Session, (2) the Equity Data Plans have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the 24X Market Session, and (3) the Exchange has filed a proposed rule change in accordance with Rule 1.5(c) that has been approved by the SEC or otherwise has become effective.

- Pre-Market Session: 4:00 a.m. to 9:30 a.m. ET each U.S. Business Day;
- Core Market Session: 9:30 a.m. to 4:00 p.m. ET each U.S. Business Day; and
- Post-Market Session: 4:00 p.m. to 7:00 p.m. ET each U.S. Business Day.

The Exchange will pause trading each Monday, Tuesday, Wednesday and Thursday from 7:00 p.m. until 8:00 p.m. ET. Orders outstanding in the System at 6:59:59 p.m. ET on Monday, Tuesday, Wednesday, Thursday and Friday shall be automatically cancelled.

The Exchange may also pause trading during the 24X Market Session at such other times as the Exchange may determine is necessary for technological or other purposes. The Exchange shall announce in advance when such trading will pause and when it will resume, as set forth in Rule 11.15(c)(4). Furthermore, if the primary listing market determines to halt or delay trading in one of its listed securities, the Exchange will halt trading, or delay the commencement of, trading (as applicable), in such security until trading resumes on the primary listing market for the security.

The Exchange proposes to commence operations upon the Commission's approval of its Form 1 Application for Registration as a National Securities Exchange, and subject to approval of all necessary regulatory requirements and National Market System plans.

7. Attach a copy of the users' manual.

Members will be provided with the Exchange's technical specifications, which will enable them to develop or purchase their own, customized front-end software for interfacing with the Exchange. Members also may use third-party vendors to route orders to the Exchange via a front end or service bureau configuration. The Exchange will make available to prospective Members all necessary API connectivity documentation and technical specifications on the Exchange's internal, intranet website.

A User Manual that will be provided to all Members and prospective Members of the Exchange is included with this Exhibit E. The User Manual describes the Exchange's technical specifications and provides Members, prospective Members, and other users of the Exchange with additional information that the Exchange believes will be useful to such persons for trading on the Exchange.

8. If applicant proposes to hold funds or securities on a regular basis, describe the controls that will be implemented to ensure safety of those funds or securities.

The Exchange will not hold funds or securities of its Members.

Addendum

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