

## Exhibit 5 – Text of Proposed Rule Change

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

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## Rule 11.190. Orders and Modifiers

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- (a) No change.
- (b) Order Parameters.
  - (1)-(6) No change.
  - (7) Discretionary Limit Order. A displayed, nondisplayed, or partially displayed Limit order that upon entry and when posting to the Order Book, is priced to be equal to and ranked at the order's limit price, except under the following circumstances:
    - (A) Upon entry during periods of quote instability, as defined in [paragraph ]Rule 11.190(g)(1), if a Discretionary Limit buy order has a limit price equal to or higher than the quote instability determination price level in effect, the price of the order will be automatically adjusted by the System to one (1) MPV lower than the quote instability determination price level in effect.
    - (B) Upon entry during periods of quote instability, as defined in [paragraph ]Rule 11.190(g)(1), if a Discretionary Limit sell order has a limit price equal to or lower than the quote instability determination price level in effect, the price of the order will be automatically adjusted by the System to one (1) MPV higher than the quote instability determination price level in effect.
    - (C) – (E) No change.
  - (8) Primary Peg Order. A pegged order that upon entry and when posting to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1) MPV less aggressive than the primary quote (i.e. the NBB for buy orders and NBO for sell orders) or the order's limit price, if any. While resting on the Order Book, the order is automatically adjusted by the System in response to the changes in the NBB (NBO) for buy (sell) orders up (down) to the order's limit price, if any. In order to meet the limit price of active orders on the Order Book, a primary peg order will exercise price discretion to its discretionary price (defined as the primary quote), except during periods of quote instability as defined by paragraph (g)(1) or (g)(2) below, as selected by the User, or where the primary peg order is resting at its limit price, if any. When exercising price discretion, a primary peg order maintains time priority at its resting price and is prioritized behind any non-displayed interest resting at the discretionary price for the duration of that book processing action. If multiple primary peg orders are exercising price discretion during the same book processing action, they maintain their relative time priority at the discretionary

price. A primary peg order:

(A)-(J) No change.

(K) Is eligible to exercise price discretion to its discretionary price, except during periods of quote instability, as specified in paragraph (g) below.

(i) If the System determines the NBB for a particular security to be an unstable quote in accordance with paragraph (g) below, it will restrict buy primary peg orders in that security from exercising price discretion to trade against interest at the NBB. If the User selected the quote instability determination set forth in paragraph (g)(1) below, the System will restrict the primary peg order from exercising such price discretion if the current NBB is the same as the NBB upon which the determination was based. If the User selected the quote instability determination set forth in paragraph (g)(2) below, the System will restrict a primary peg order from exercising such price discretion even if the current NBB is different than the price upon which the determination was based.

(ii) If the System determines the NBO for a particular security to be an unstable quote in accordance with paragraph (g) below, it will restrict sell primary peg orders in that security from exercising price discretion to trade against interest at the NBO. If the User selected the quote instability determination set forth in paragraph (g)(1) below, the System will restrict the primary peg order from exercising such price discretion if the current NBO is the same as the NBO upon which the determination was based. If the User selected the quote instability determination set forth in paragraph (g)(2) below, the System will restrict a primary peg order from exercising such price discretion even if the current NBO is different than the price upon which the determination was based.

(9) No change.

(10) Discretionary Peg Order. A pegged order that upon entry into the System, the price of the order is automatically adjusted by the System to be equal to the less aggressive of the Midpoint Price or the order's limit price, if any. When unexecuted shares of such order are posted to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1) MPV less aggressive than the primary quote (i.e., the NBB for buy orders and NBO for sell orders) or the order's limit price and is automatically adjusted by the System in response to changes in the NBB (NBO) for buy (sell) orders up (down) to the order's limit price, if any. In order to meet the limit price of active orders on the Order Book, a Discretionary Peg order will exercise the least amount of price discretion necessary from the Discretionary Peg order's resting price to its discretionary price (defined as the less aggressive of the Midpoint Price or the Discretionary Peg order's limit price, if any), except during

periods of quote instability as defined in paragraph (g)(1) or (g)(2) below, as selected by the User, when a Discretionary Peg order is only eligible to trade at its resting price. When exercising price discretion, a Discretionary Peg order maintains time priority at its resting price and is prioritized behind any non-displayed interest at the discretionary price for the duration of that book processing action. If multiple Discretionary Peg orders are exercising price discretion during the same book processing action, they maintain their relative time priority at the discretionary price. A Discretionary Peg order:

(A)-(J) No change.

(K) Is eligible to exercise price discretion to its discretionary price, except during periods of quote instability, as specified in paragraph (g) below.

(i) If the System determines the NBB for a particular security to be an unstable quote in accordance with paragraph (g), it will restrict buy Discretionary Peg orders in that security from exercising price discretion to trade against interest at or above the NBB. If the User selected the quote instability determination set forth in paragraph (g)(1) below, the System will restrict the Discretionary Peg order from exercising such price discretion if the current NBB is the same as the NBB upon which the determination was based. If the User selected the quote instability determination set forth in paragraph (g)(2) below, the System will restrict the Discretionary Peg order from exercising such price discretion even if the current NBB is different than the price upon which the determination was based.

(ii) If the System determines the NBO for a particular security to be an unstable quote in accordance with paragraph (g), it will restrict sell Discretionary Peg orders in that security from exercising price discretion to trade against interest at or below the NBO. If the User selected the quote instability determination set forth in paragraph (g)(1) below, the System will restrict the Discretionary Peg order from exercising such price discretion if the current NBO is the same as the NBO upon which the determination was based. If the User selected the quote instability determination set forth in paragraph (g)(2) below, the System will restrict the Discretionary Peg order from exercising such price discretion even if the current NBO is different than the price upon which the determination was based.

(11)-(15) No change.

(16) Corporate Discretionary Peg Order. A Discretionary Peg buy order that upon entry into the System, the price of the order is automatically adjusted by the System to be equal to the less aggressive of the Midpoint Price, the consolidated last sale price, or the order's limit price, if any. When unexecuted shares of such order are posted to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1)

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

(A)-(J) No change.

(K) Is eligible to exercise price discretion to its discretionary price, except during periods of quote instability, as specified in paragraph (g) below. If the System determines the NBB for a particular security to be an unstable quote in accordance with paragraph (g), it will restrict Corporate Discretionary Peg orders in that security from exercising price discretion to trade against interest at or above the NBB. If the User selected the quote instability determination set forth in paragraph (g)(1) below, the System will restrict the Corporate Discretionary Peg order from exercising such price discretion if the current NBB is the same as the NBB upon which the determination was based. If the User selected the quote instability determination set forth in paragraph (g)(2) below, the System will restrict the Corporate Discretionary Peg order from exercising such price discretion even if the current NBB is different than the price upon which the determination was based.

(c)-(f) No change.

(g) Quote Stability. The Exchange utilizes two User selected alternative proprietary mathematical calculations to assess the probability of an imminent change to the current Protected NBB to a lower price or a Protected NBO to a higher price for a particular security.

For Option 1, as set forth in this subparagraph (1) of Rule 11.190(g), [T]the Exchange utilizes real time relative quoting activity of Protected Quotations and a proprietary mathematical calculation (the "quote instability calculation") to assess the probability of an imminent change to the current Protected NBB to a lower price or Protected NBO to a higher price for a particular security ("quote instability factor"). When the quoting

activity meets predefined criteria and the quote instability factor calculated is greater than the Exchange's defined threshold ("quote instability threshold"), the System treats the quote as not stable ("quote instability" or a "crumbling quote"). During all other times, the quote is considered stable ("quote stability"). The System independently assesses the stability of the Protected NBB and Protected NBO for each security. References in this Rule to "Protected Quotations", "Protected NBB", "Protected NBO" and "Protected NBBO" herein include quotations from the following exchanges: XNYS, ARCX, XNGS, XBOS, BATS, BATY, EDGX, EDGA

For Option 2, as set forth in this subparagraph (2) of Rule 11.190(g), the Exchange utilizes real time relative quoting activity of Protected Quotations from eleven exchanges (ARCX, BATY, BATS, EDGA, EDGX, EPRL, MEMX, XBOS, XNGS, XNYS, XPHL) referred to as "Signal Exchanges" and nine proprietary mathematical calculations ("the Quote Instability Rules") which each independently assess the probability of an imminent change to the current Protected NBB to a lower price or Protected NBO to a higher price for a particular security. When the quoting activity meets one or more Quote Instability Rule's predefined criteria and that Quote Instability Rule's current activation value pursuant to subparagraph (2) of this IEX Rule 11.190(g) ("Activation Value") is greater than the Exchange's defined threshold ("Activation Threshold") for that Quote Instability Rule, the System treats the quote as not stable ("quote instability" or a "crumbling quote"). For each Quote Instability Rule, the Activation Value is initialized at 0.5 at the start of the Regular Session and updated during regular market hours as described in subparagraph (2) of this IEX Rule 11.190(g). During all other times, the quote is considered stable ("quote stability").

(1) Option 1 Crumbling Quote. When the System determines that either the Protected NBB or the Protected NBO in a particular security is unstable, the determination remains in effect at that price level for two (2) milliseconds, unless a new determination is made before the end of the two (2) millisecond period. Only one determination may be in effect at any given time for a particular security. A new determination may be made after at least 200 microseconds has elapsed since a preceding determination, or a price change on either side of the Protected NBBO occurs, whichever is first. If a new determination is made, the original determination is no longer in effect. A new determination can be at either the Protected NBB or the Protected NBO and at the same or different price level as the original determination. Quote instability or a crumbling quote is determined by the System when:

(A)(i) – (ii) – No Change.

[(iii) The Exchange reserves the right to modify the quote instability coefficients or quote instability threshold at any time, subject to a filing of a proposed rule change with the SEC.]

(2) Option 2 Crumbling Quote. When the System determines that either the Protected NBB or the Protected NBO in a particular security is unstable, the determination remains in

effect for two (2) milliseconds (a “Quote Instability Determination”). Quote Instability Determinations are made separately for the Protected NBB and Protected NBO, so it is possible for zero, one or both of the Protected NBB and Protected NBO to be subject to a quote instability determination concurrently. A new Quote Instability Determination may be made after at least 250 microseconds has elapsed since a preceding Quote Instability Determination on the same side of the market in a particular security (i.e., Protected NBB or Protected NBO). If a new Quote Instability Determination is made, the Quote Instability Determination will be extended and in effect until two (2) milliseconds after the new Quote Instability Determination. Quote instability is determined by the System when:

- (A) The conditions set forth in one or more of the Quote Instability Rules are met and that Quote Instability Rule’s current Activation Value is greater than its Activation Threshold.
- (B) Quote Stability Variables. The Exchange uses the quote stability variables defined below to calculate whether the conditions set forth in each Quote Instability Rule set forth in subparagraph (1)(C) of this IEX Rule 11.190(g) are met.
  - (i) “Signal Best Bid” means the highest Protected Bid of the Signal Exchanges.
  - (ii) “Signal Exchange’s Best Bid Size” means the total shares (measured in round lot multiples) of a Signal Exchange displayed at the Signal Exchange’s Protected Bid.
  - (iii) “Aggregate Best Bid Size” means the aggregate total shares (measured in round lot multiples) of the Signal Exchanges displayed at the Signal Best Bid.
  - (iv) “Bids” means the number of Signal Exchanges for which the highest Protected Bid is equal to the Signal Best Bid.
  - (v) “Signal Best Offer” means the lowest Protected Offer of the Signal Exchanges.
  - (vi) “Signal Exchange’s Best Offer Size” means the total shares (measured in round lot multiples) of a Signal Exchange displayed at the Signal Exchange’s Protected Offer.
  - (vii) “Update” means any change to either the price or size of a Signal Exchange’s Protected Bid or Offer, including a change to the quote condition of a Signal Exchange’s Protected Bid or Protected Offer
  - (viii) “Aggregate Best Offer Size” means the aggregate total shares (measured in round lot multiples) of the Signal Exchanges displayed at the Signal Best Offer.

- (ix) “Offers” means the number of Signal Exchanges for which the lowest Protected Offer is equal to the Signal Best Offer.
- (x) “Delta Bids” means the number of these three (3) exchanges (BATS, EDGX, and XNGS) that had a Protected Bid equal to the Signal Best Bid within the preceding one (1) millisecond (or within the time period since the start time of the current Signal Best Bid if shorter), but for which the exchange’s Protected Bid is no longer equal to the Signal Best Bid.
- (xi) “Delta Offers” means the number of these three (3) exchanges (BATS, EDGX, and XNGS) that had a Protected Offer equal to the Signal Best Offer within the preceding one (1) millisecond (or within the time period since the start time of the current Signal Best Offer if shorter), but for which the exchange’s Protected Offer is no longer equal to the Signal Best Offer.
- (xii) “Bid Pressure” means the number of Updates in the preceding two (2) millisecond period (or within the time period since the start time of the current Signal Best Bid if shorter) in which one or more of the following four events occurred at one or more of the Signal Exchanges:
  - (a) The Signal Exchange’s Protected Bid decreased, and its prior value was greater than or equal to the Signal Best Bid minus the Signal Spread;
  - (b) The Signal Exchange’s Protected Offer decreased, and its current value is less than or equal to the Signal Best Offer plus the Signal Spread;
  - (c) The Signal Exchange’s Best Bid Size decreased in size without a change to the price of the Signal Exchange’s Protected Bid, which is greater than or equal to the Signal Best Bid minus the Signal Spread; or
  - (d) The Signal Exchange’s Best Offer Size increased in size without a change to the price of the Signal Exchange’s Protected Offer, which is less than or equal to the Signal Best Offer plus the Signal Spread.
- (xiii) “Offer Pressure” means the number of Updates in the preceding two (2) millisecond period (or within the time period since the start time of the current Signal Best Offer if shorter) in which one or more of the following four events occurred at any of the Signal Exchanges:
  - (a) The Signal Exchange’s Protected Offer increased, and its prior value was less than or equal to the Signal Best Offer plus the Signal Spread;
  - (b) The Signal Exchange’s Protected Bid increased, and its current value is greater than or equal to the Signal Best Bid minus the Signal Spread;

- (c) The Signal Exchange’s Best Offer Size decreased in size without a change to the price of the Signal Exchange’s Protected Offer, which is less than or equal to the Signal Best Offer plus the Signal Spread; or
  - (d) The Signal Exchange’s Best Bid Size increased in size without any change to the price of the Signal Exchange’s Protected Bid, which is greater than or equal to the Signal Best Bid minus the Signal Spread.
  - (xiv) “Signal Spread” means the Signal Best Offer minus the Signal Best Bid.
  - (xv) “Signal Spread Bin Value” means the Signal Spread, rounded down to a full cent and restricted to a value between \$0.00 and \$0.04 so that values greater than \$0.04 are assigned a Signal Spread Bin Value of \$0.04 and values at or below \$0.00 are assigned a Signal Spread Bin Value of \$0.00.
  - (xvi) “Lookback Average Signal Spread Bin Value” means the average of the Signal Spread Bin Value over the past twenty Updates.
  - (xvii) “Previous Signal Best Bid” means the Signal Best Bid as of the last Update.
  - (xviii) “Previous Aggregate Best Bid Size” means the aggregate total shares displayed among Signal Exchanges at the Previous Signal Best Bid as of the last Update.
  - (xix) “Previous Signal Best Offer” means the Signal Best Offer as of the last Update.
  - (xx) “Previous Aggregate Best Offer Size” means the aggregate total shares displayed among Signal Exchanges at the Previous Signal Best Offer as of the last Update.
- (C) Quote Instability Rules. The four (4) categories of rules designed to predict whether the Protected NBB (NBO) is unstable are set forth below. All rules are applicable to Option 2. A determination that the Protected NBB for a particular security is unstable does not impact the System’s ability to determine that the Protected NBO for that same security is also unstable, and vice versa.
- (i) Disappearing bids (or offers) rules:

    - (a) Rule DB1 (DO1) assesses whether Delta Bids (Offers) is greater than (1) one. The rule’s Activation Threshold is 0.30.
    - (b) Rule DB2 (DO2) assesses whether Delta Bids (Offers) is greater than (1) one and the product of Signal Best Bid (Offer) and Aggregate Best Bid (Offer) Size is less than \$60,000. The rule’s Activation Threshold is 0.30.

- (c) Rule DB3 (DO3) assesses whether Delta Bids (Offers) is greater than or equal to (1) one and Bids (Offers) is equal to (1) one. The rule's Activation Threshold is 0.30.
- (d) Rule DB4 (DO4) assesses whether Delta Bids (Offers) is greater than or equal to (1) one, Bids (Offers) is equal to (1) one, and the product of Signal Best Bid (Offer) and Aggregate Best Bid (Offer) Size is less than \$60,000. The rule's Activation Threshold is 0.30.

(ii) Recent changes in quote size rules:

- (a) Rule SB1 (SO1) assesses whether Bids (Offers) is less than or equal to (1) one, Bid (Offer) Pressure is greater than or equal to Offer (Bid) Pressure, Aggregate Best Offer (Bid) Size is greater than Aggregate Best Bid (Offer) Size, and Bid (Offer) Pressure is greater than (2) two. The rule's Activation Threshold is 0.30.
- (b) Rule SB2 (SO2) assesses whether Bids (Offers) is less than or equal to (1) one, Bid (Offer) Pressure is greater than or equal to Offer (Bid) Pressure, Aggregate Best Offer (Bid) Size is greater than Aggregate Best Bid (Offer) Size, Bid (Offer) Pressure is greater than (1) one, and Signal Spread Bin Value is less than Lookback Average Signal Spread Bin Value. The rule's Activation Threshold is 0.30.

(iii) Locked or crossed market rules:

- (a) Rule LB (LO) assesses whether either of the following conditions are met: (A) Signal Best Offer (Bid) is less than (greater than) Previous Signal Best Offer (Bid) and Signal Best Bid is greater than or equal to Signal Best Offer; or (B) Aggregate Best Offer (Bid) Size is greater than Previous Aggregate Best Offer (Bid) Size, Aggregate Best Offer (Bid) Size is greater than Aggregate Best Bid (Offer) Size, and Signal Best Bid is greater than or equal to Signal Best Offer. The rule's Activation Threshold is 0.

(iv) Quotation changes rules:

- (a) Rule FB1 (FO1) assesses whether Signal Best Bid (Offer) is greater than Previous Signal Best Bid (Offer). The rule's Activation Threshold is 0.50.
- (b) Rule FB2 (FO2) assesses whether Signal Best Bid (Offer) is less than Previous Signal Best Bid (Offer). The rule's Activation Threshold is 0.50.

(D) Activation Value.

- (i) Whenever the conditions set forth in a Quote Instability Rule are met, the Exchange's proprietary quote instability calculation determines its new

Activation Value by multiplying its current Activation Value by the decay factor. The Exchange utilizes an Activation Value of 0.5 at the start of the Regular Market Session and a constant decay factor of 0.94. If the new Activation Value is above the Activation Threshold for the applicable Quote Instability Rule, the System will generate a Quote Instability Determination in accordance with subparagraph (1)(A) of this IEX Rule 11.190(g).

(a) However, notwithstanding the foregoing, if the conditions set forth in a Quote Instability Rule as described in subparagraph (i) above are met at a time that is 2 milliseconds or less since such conditions were met for the same Quote Instability Rule, and the PBB or PBO (as applicable) is unchanged, the System will use the prior Activation Value to determine whether to generate a Quote Instability Determination and will not modify the Activation Value by the decay factor.

(ii) Irrespective of whether or not a Quote Instability Determination was generated pursuant to subparagraph (i) above, the Activation Value for each Quote Instability Rule will also be modified during the Regular Market Session if after the conditions set forth in a Quote Instability Rule were met (and within 2 milliseconds of the time such conditions were met) the next price change to the PBB or PBO (as applicable) is to a less aggressive price, a new Activation Value for that Quote Instability Rule is calculated pursuant to the following formula:  $(1 - \text{decay factor}) + \text{previous Activation Value}$ .

(3) The Exchange reserves the right to modify the proprietary mathematical calculations used to assess the probability of an imminent change to the current Protected NBB to a lower price or a Protected NBO to a higher price for a particular security, subject to a filing of a proposed rule change with the SEC.

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