Form 1

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APPLICATION FOR, AND AMENDMENTS TO APPLICATION FOR, REGISTRATION AS A NATIONAL SECURITIES Exchange OR EXEMPTION FROM REGISTRATION PURSUANT TO SECTION 6 OF THE Exchange ACT

Investors' Exchange LLC

Date of filing: September 9, 2015

Date as of which the information is accurate: September 9, 2015

Exhibit A

A copy of the constitution, articles of incorporation or association with all subsequent amendments, and of existing by-laws or corresponding rules or instruments, whatever the name, of the applicant.

Attached as Addendum A-1 is the Certificate of Formation of Investors' Exchange LLC (the "Exchange" or "IEX").

Attached as Addendum A-2 is the Operating Agreement of Investors' Exchange LLC.

Attached as Addendum A-3 is the draft Amended and Restated Operating Agreement of Investors' Exchange LLC, which will be adopted shortly before the launch date of the Exchange.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "INVESTORS' EXCHANGE LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTY-FIRST DAY OF JULY, A.D. 2014.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "INVESTORS' EXCHANGE LLC" WAS FORMED ON THE THIRTEENTH DAY OF MAY, A.D. 2014.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

Jeffrey W. Bullock, Secretary of State

5532957 8300

AUTHENTICATION: 1585091

141022341

DATE: 07-31-14

You may verify this certificate online
at corp.delaware.gov/authver.shtml

OPERATING AGREEMENT
OF
INVESTORS' EXCHANGE LLC

This Operating Agreement (this "**Agreement**") of Investors' Exchange LLC (the "**Company**"), is made effective as of May 13, 2014, by IEX Group, Inc., a Delaware Corporation (the "**Member**").

1. **Name.** The name of the Company is "Investors' Exchange LLC".

2. **Formation; Term.** On May 13, 2014, the Company was organized as a Delaware limited liability company upon the filing of the Company's Certificate of Formation with the Secretary of State of the State of Delaware. The term of the Company shall be perpetual, unless sooner terminated as hereinafter provided.

3. **Purpose.** The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Limited Liability Company Act, as amended from time to time (the "**Act**").

4. **Powers.** In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Company shall have the power and is hereby authorized to do all things and engage in all such activities as may be necessary, convenient or incidental to the conduct of the business of the Company, and have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

5. **Registered Agent; Registered Office.** The address of the registered office of the limited liability company is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, and the name of the registered agent of the Company in the State of Delaware at such address is Corporation Service Company. The Member may, upon compliance with the applicable provisions of the Act, change the Company's resident office or resident agent from time to time, all as determined by the Member.

6. **Authorized Person.** Ms. Jill Simon was designated as an organizer of the Company, and executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. The authority of Ms. Simon, as organizer, to execute, deliver and file the Certificate of Formation is hereby confirmed and such filing is hereby ratified and approved. Upon such filing of the Certificate of Formation, Ms. Simon's powers as organizer ceased.

7. **Limited Liability.** Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Member, nor its partners, members, directors, shareholders, employees, officers or agents, shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of the

Member being a member of the Company.

8. **Management.** All power to manage, bind and act on behalf of, the Company shall be vested in the managers ("**Managers**"). The initial Managers and officers of the Company shall be as set forth on **Exhibit A** hereto. No action on behalf of the Company may be taken without the prior approval of the Managers. However, the Managers may delegate power to sign legal documents on behalf of the Company to any officer, provided that the Manager may also sign on behalf of the Company if he so chooses. The Member may appoint, remove and replace any Manager, officers and employees of the Company from time to time in its sole and absolute discretion. In addition, a majority of the Managers may appoint or remove officers and employees of the Company from time to time, in their sole discretion. Unless the Member decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Member in writing.

9. **Member; Capital Contributions.** IEX Group, Inc., a Delaware corporation, is hereby admitted as the sole "member" of the Company. The Member shall make the initial capital contribution to the Company set forth on the Schedule of Members set forth on **Exhibit B** hereto. Membership interests in the Company shall be expressed in percentages. The capital contributions that the Member makes to the Company from time to time shall be properly reflected on the books and records of the Company and **Exhibit B** hereto. The Member may make capital contributions to the Company in the form of cash, securities, intellectual property or any other assets (including intangible assets) as the Member may, in its complete and sole discretion, determine from time to time. The Member will not be required to make any additional capital contributions.

10. **Tax Classification.** The Member intends that the Company shall be treated as a "disregarded entity" within the meaning of Treasury Regulations Section 301.7701-2(c)(2) for federal and applicable state income tax purposes and will file its tax returns consistent with such treatment.

11. **Ownership of Company Property.** All assets owned by the Company shall be owned by the Company as an entity, and held in the name of the Company. The Member shall not hold any ownership interest in any Company property in its own name or right.

12. **Distributions.** Subject to applicable law, the Member may elect from time to time to make distributions of cash or other assets. Except as required by law, the Member shall not be obligated to restore or repay to the Company all or any part of a distribution made to it under the terms of this Agreement.

13. **Transfer of Rights.** The Member may transfer all or any portion of its interest in the Company in the Member's sole and absolute discretion. In the event of any such transfer, this Agreement shall be amended to reflect the respective rights and obligations of the Member and the transferee or transferees.

14. Indemnification.

(a) The Company shall indemnify and hold harmless to the fullest extent permitted by the laws of the State of Delaware, as if the Company were a corporation incorporated under the laws of the State of Delaware, the Member, any Manager, officer and any affiliate thereof (individually, in each case, an "**Indemnitee**"), from and against any and all claims, demands, liabilities, costs damages, expenses, fines, settlements and causes of action of any nature whatsoever ("**Losses**") arising out of or incidental to the business, activities or operations of, or relating to, the Company, regardless of whether the Indemnitee continues to be a Member, Manager, officer or affiliate thereof at the time any such liability or expense is paid or incurred; *provided, however*, that no Member, Manager, officer or affiliate may be indemnified by the Company from and against any Losses which result from the gross negligence or willful misconduct of such person.

(b) The indemnification provided by this Section 14 shall be in addition to any other rights to which an Indemnitee may be entitled under any other agreement, by vote of the Member, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, Manager, officer or affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

15. Admission of Additional Members. One or more additional members of the Company may be admitted to the Company with the written consent of the member. If the Company subsequently has more than one member, then all references in this Agreement to the singular "Member" will refer to all of the members of the Company, and any matter requiring the consent of the "Member" under this Agreement will require the consent of a majority in interest of the members.

16. Withdrawal. A Member may withdraw from the Company. If a Member withdraws from the Company and there are no other members of the Company at the time, a new Member shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. The admission of the new Member shall be deemed effective concurrent with the withdrawal of the sole remaining Member.

17. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any dissolution event set forth in this Agreement, as the same may be amended from time to time, (ii) the written consent of the Member, (iii) the withdrawal or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business of the Company is continued in a manner permitted by the Act, or (iv) the entry of a decree of judicial dissolution under the Act.

(b) The bankruptcy of the Member will not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Member shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, provided under the Act and applicable law.

18. Severability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement.

20. Entire Agreement. Except as expressly set forth in this Agreement, this Agreement constitutes the entire agreement with respect to the subject matter hereof, and supersedes and replaces any other written or oral agreement relating to the subject matter hereof, including any prior operating agreement of the Company.

21. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

22. Amendments. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of the Member.

23. No Third-Party Beneficiary. Any agreement to pay any amount and any assumption of liability in this Agreement contained, express or implied, shall be only for the benefit of the Member and his respective heirs, successors, and permitted assigns, and such agreements and assumptions shall not inure to the benefit of the obligees of any indebtedness of any other party, whomsoever, deemed to be a third-party beneficiary of this Agreement.

24. Distribution Restriction. No distribution shall be declared or paid which shall impair the capital of the Company nor shall any distribution of assets be made to any member unless the value of the assets of the Company remaining after such payment or distribution is at least equal to the aggregate of its debts and liabilities, including capital.

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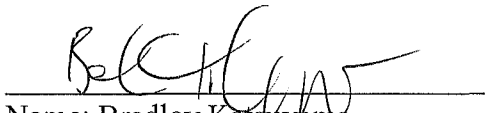
IN WITNESS WHEREOF, the Member has executed this Agreement as of the date first above written.

MEMBER:.

IEX Group, Inc.



Name: Bradley Katsuyama
Title: Chief Executive Officer

EXHIBIT A

Managers: Bradley Katsuyama and John Schwall

Officers:

Bradley Katsuyama - President
John Schwall - Vice President and Treasurer
Sophia Lee – General Counsel and Secretary

EXHIBIT B

SCHEDULE OF MEMBERS

Name	Capital Contribution	Membership Interest
IEX Group, Inc.	$1.00	100%

AMENDED AND RESTATED OPERATING AGREEMENT

OF

INVESTORS' EXCHANGE LLC

(a Delaware limited liability company)

This Amended and Restated Operating Agreement (this "**Agreement**") of Investors' Exchange LLC , is made effective as of _____ ___, 2015, by IEX Group, Inc., a Delaware corporation, and amends and restates in its entirety the Operating Agreement of the Company dated May 13, 2014 (the "Original Operating Agreement").

ARTICLE I

Definitions

When used in this Agreement, unless the context otherwise requires, the terms set forth below shall have the following meanings:

(a) "'34 Act" means the Securities Exchange Act of 1934, as amended.

(b) "Act" means Delaware Limited Liability Company Act, as amended from time to time.

(c) An "affiliate" of, or person "affiliated" with a specific person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

(d) "Board" or "Board of Directors" means the Board of Directors of the Company.

(e) "broker" shall have the same meaning as in Section 3(a)(4) of the '34 Act.

(f) "Commission" means the Securities and Exchange Commission.

(g) "Company" means Investors' Exchange LLC, a Delaware limited liability company.

(h) "day" means calendar day.

(i) "dealer" shall have the same meaning as in Section 3(a)(5) of the '34 Act.

(j) "Director" means the persons elected or appointed to the Board of Directors from time to time in accordance with the Certificate of Formation and this Agreement.

(k) "Exchange" means the national securities exchange operated by the Company.

(l) "Exchange Member" means any registered broker or dealer that has been admitted to membership in the national securities exchange operated by the Company. An Exchange Member is not an equity holder of the Company by reason of being an Exchange Member. An Exchange Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the '34 Act.

(m) "Executive Representative" means the person identified to the Company by an Exchange Member as the individual authorized to represent, vote, and act on behalf of the Exchange Member. An Exchange Member may change its Executive Representative or appoint a substitute for its Executive Representative upon giving notice thereof to the Secretary of the Company via electronic process or such other process as the Company may prescribe. An Executive Representative of an Exchange Member or a substitute shall be a member of senior management of the Exchange Member.

(n) "Independent Director" means a Director who has no material relationship with the Company or any affiliate of the Company, or any Exchange Member or any affiliate of any such Exchange Member; provided, however, that an individual who otherwise qualifies as an Independent Director shall not be disqualified from serving in such capacity solely because such Director is a Director of the Company or its equity holder.

(o) "Independent member" means a member of any committee who has no material relationship with the Company or any affiliate of the Company, or any Exchange Member or any affiliate of any such Exchange Member, other than as a committee member. The term Independent member may but is not required to refer to an Independent Director who serves on a committee.

(p) "Industry Director" means a Director who (i) is or has served in the prior three years as an officer, director, or employee of a broker or dealer, excluding an outside director or a director not engaged in the day-to-day management of a broker or dealer; (ii) is an officer, director (excluding an outside director), or employee of an entity that owns more than ten percent of the equity of a broker or dealer, and the broker or dealer accounts for more than five percent of the gross revenues received by the consolidated entity; (iii) owns more than five percent of the equity securities of any broker or dealer, whose investments in brokers or dealers exceed ten percent of his or her net worth, or whose ownership interest otherwise permits him or her to be engaged in the day-to-day management of a broker or dealer; (iv) provides professional services to brokers or dealers, and such services constitute 20 percent or more of the professional revenues received by the Director or 20 percent or more of the gross revenues received by the Director's firm or partnership; (v) provides professional services to a director, officer, or employee of a broker, dealer, or corporation that owns 50 percent or more of the voting stock of a broker or dealer, and such services relate to the director's, officer's, or employee's professional capacity and constitute 20 percent or more of the professional revenues received by the Director or member or 20 percent or more of the gross revenues received by the Director's or member's firm or partnership; or (vi) has a consulting or employment relationship with or provides

professional services to the Company or any affiliate thereof or has had any such relationship or provided any such services at any time within the prior three years.

(q) "Industry member" means a member of any committee or hearing panel who (i) is or has served in the prior three years as an officer, director, or employee of a broker or dealer, excluding an outside director or a director not engaged in the day-to-day management of a broker or dealer; (ii) is an officer, director (excluding an outside director), or employee of an entity that owns more than ten percent of the equity of a broker or dealer, and the broker or dealer accounts for more than five percent of the gross revenues received by the consolidated entity; (iii) owns more than five percent of the equity securities of any broker or dealer, whose investments in brokers or dealers exceed ten percent of his or her net worth, or whose ownership interest otherwise permits him or her to be engaged in the day-to-day management of a broker or dealer; (iv) provides professional services to brokers or dealers, and such services constitute 20 percent or more of the professional revenues received by the Director or 20 percent or more of the gross revenues received by the Director's firm or partnership; (v) provides professional services to a director, officer, or employee of a broker, dealer, or corporation that owns 50 percent or more of the voting stock of a broker or dealer, and such services relate to the director's, officer's, or employee's professional capacity and constitute 20 percent or more of the professional revenues received by the Director or member or 20 percent or more of the gross revenues received by the Director's or member's firm or partnership; or (vi) has a consulting or employment relationship with or provides professional services to the Company or any affiliate thereof or has had any such relationship or provided any such services at any time within the prior three years.

(r) "List of Candidates" means the list of nominees for Member Representative Director positions as nominated by the Member Nominating Committee and amended by petitions filed by Exchange Members. The List of Candidates is submitted to Exchange Members for the final selection of nominees to be elected by the LLC Member to serve as Member Representative Directors.

(s) "LLC Member" means any person who maintains a direct ownership interest in the Company. The sole LLC Member of the Company shall be IEX Group, Inc.

(t) "Member Nominating Committee" means the Member Nominating Committee elected pursuant to this Operating Agreement.

(u) "Member Representative Director" means a Director who has been appointed as such to the initial Board of Directors pursuant to Article III, Section 4(g) of this Operating Agreement, or elected by the LLC Member after having been nominated by the Member Nominating Committee or by an Exchange Member pursuant to this Operating Agreement and confirmed as the nominee of Exchange Members after majority vote of Exchange Members, if applicable. A Member Representative Director must be an officer, director, employee, or agent of an Exchange Member that is not a Stockholder Exchange Member.

(v) "Member Representative member" means a member of any committee or hearing panel who is an officer, director, employee or agent of an Exchange Member that is not a

Stockholder Exchange Member.

(w) "Nominating Committee" means the Nominating Committee elected pursuant to this Agreement.

(x) "Non-Industry Director" means a Director who is (i) an Independent Director; or (ii) any other individual who would not be an Industry Director.

(y) "Non-Industry member" means a member of any committee who is (i) an Independent member; or (ii) any other individual who would not be an Industry member.

(z) "person" shall mean a natural person, partnership, corporation, limited liability company, entity, government, or political subdivision, agency or instrumentality of a government.

(aa) "person associated with an Exchange Member" or "associated person of an Exchange Member" means any partner, officer, or director of an Exchange member (or person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such Exchange member, or any employee of such Exchange member, except that any person associated with an Exchange member whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of this Agreement.

(bb) "Record Date" means a date at least thirty-five (35) days before the date announced as the date for the annual meeting of the LLC Member and set as the last date on which Exchange Members may petition to add to the List of Candidates and used to determine whether Exchange Members are entitled to vote on the final List of Candidates.

(z) "registered broker or dealer" means any registered broker or dealer, as defined in Section 3(a)(48) of the '34 Act, that is registered with the Commission under the '34 Act.

(zz) "Regulatory Funds" means fees, fines, or penalties derived from the regulatory operations of the Company. "Regulatory Funds" shall not be construed to include revenues derived from listing fees, market data revenues, transaction revenues, or any other aspect of the commercial operations of the Company, even if a portion of such revenues are used to pay costs associated with the regulatory operations of the Company.

(aa) "Rules" or "Exchange Rules" shall have the same meaning as set forth in Section 3(a)(27) of the '34 Act.

(bb) "statutory disqualification" shall have the same meaning as in Section 3(a)(39) of the '34 Act.

(cc) "Stockholder Exchange Member" means an Exchange Member that also maintains, directly or indirectly, an ownership interest in the Company.

ARTICLE II

Office and Agent

Section 1. Name

The name of the Company is "Investors' Exchange LLC".

Section 2. Formation; Term

On May 13, 2014, the Company was organized as a Delaware limited liability company upon the filing of the Company's Certificate of Formation with the Secretary of State of the State of Delaware. The term of the Company shall be perpetual, unless sooner terminated as hereinafter provided.

Section 3. LLC Member

The mailing address of the LLC Member is set forth on Exhibit A attached hereto. IEX Group, Inc. was admitted to the Company as the LLC Member of the Company upon its execution of a counterpart signature page to the Original Operating Agreement at which time it acquired 100% of the limited liability company interests of the Company.

Section 4. Purpose

The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act.

Section 5. Powers

In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Company shall have the power and is hereby authorized to do all things and engage in all such activities as may be necessary, convenient or incidental to the conduct of the business of the Company, and have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

Section 6. Principal Business Office

The principal business office of the Company shall be located at 7 World Trade Center, New York, NY 10007, or such other location as may hereafter be determined by the Board of Directors. The Company may have such other office or offices as the Board of Directors may from time to time designate or as the purposes of the Company may require from time to time.

Section 7. Registered Office

The address of the registered office of the Company in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, and the name of the registered agent of the Company in the State of Delaware at such address is Corporation Service Company. The Member may, upon compliance with the applicable

provisions of the Act, change the Company's resident office or resident agent from time to time, all as determined by the Member.

Section 8. Registered Agent

The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808.

ARTICLE III

Board of Directors

Section 1. Powers

(a) The business and affairs of the Company shall be managed by its Board, except to the extent that the authority, powers and duties of such management shall be delegated to a committee or committees of the Board pursuant to this Agreement or the Rules. The Board of Directors shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. To the fullest extent permitted by applicable law and this Agreement the Board may delegate any of its powers to a committee appointed pursuant to Article V of this Agreement or to any officer, employee or agent of the Company.

(b) The Board shall have the power to adopt, amend or repeal the Rules in accordance with Article X, Section 1 of this Agreement.

(c) The Board may adopt such rules, regulations, and requirements for the conduct of the business and management of the Company, not inconsistent with law, the Certificate of Formation or this Agreement, as the Board may deem proper. A Director shall, in the performance of such Director's duties, be fully protected, to the fullest extent permitted by law, in relying in good faith upon the books of account or reports made to the Company by any of its officers, by an independent certified public accountant, by an appraiser selected with reasonable care by the Board or any committee of the Board or by any agent of the Company, or in relying in good faith upon other records of the Company.

(d) In connection with managing the business and affairs of the Company, the Board and each director shall consider applicable requirements for registration as a national securities exchange under Section 6(b) of the '34 Act, including, without limitation, the requirements that (a) the Rules shall be designed to protect investors and the public interest and (b) the Exchange shall be so organized and have the capacity to carry out the purposes of the '34 Act and to enforce compliance by its "members," as that term is defined in Section 3 of the '34 Act (such statutory members being referred to in this Agreement as "Exchange Members") and persons associated with Exchange Members, with the provisions of the '34 Act, the rules and regulations under the '34 Act, and the Rules of the Exchange. In discharging his or her responsibilities as a member of the Board of Directors or as an officer or employee of the Company, each such director, officer or employee shall comply with the federal securities laws and the rules and

regulations thereunder and shall cooperate with the Commission, and the Company pursuant to its regulatory authority.

(e) In light of the unique nature of the Company and its operations and in light of the Company's status as a self-regulatory organization, the Board, when evaluating any proposal, shall, to the fullest extent permitted by applicable law, take into account all factors that the Board deems relevant, including, without limitation, to the extent deemed relevant: (i) the potential impact thereof on the integrity, continuity and stability of the national securities exchange operated by the Company and the other operations of the Company, on the ability to prevent fraudulent and manipulative acts and practices and on investors and the public, and (ii) whether such would promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities or assist in the removal of impediments to or perfection of the mechanisms for a free and open market and a national market system.

Section 2. Composition of the Board

(a) The exact number of members of the Board shall be determined by resolution adopted by the Board from time to time, and shall initially be set at seven (7), subject to the compositional requirements of the Board set forth in Article III, Section 2(b).

(b) At all times the Board of Directors shall consist of one (1) Director who is the Chief Executive Officer of the Company, who shall be considered an Industry Director, and sufficient numbers of Non-Industry (including Independent), Industry and Member Representative Directors to meet the following composition requirements: the number of Non-Industry Directors, including at least two Independent Directors, shall equal or exceed the sum of the number of Industry Directors and Member Representative Directors elected pursuant to Article III, Section 4 of this Agreement and the number of Member Representative Directors shall be at least twenty (20) percent of the Board. During such time as the Company operates a listings business, the Board of Directors shall consist of one (1) Director who is an officer or director of an issuer and one (1) Director who is a representative of investors, and in each case, such Director must not be associated with a Member. A majority of the Board of Directors shall be Independent Directors.

(c) The Secretary shall collect from each nominee for Director such information as is reasonably necessary to serve as the basis for a determination of the nominee's classification as a Member Representative, Non-Industry, or Independent Director, if applicable, and the Secretary shall certify to the Nominating Committee or the Member Nominating Committee each nominee's classification, if applicable. Directors shall update the information submitted under this subsection at least annually and upon request of the Secretary, and shall report immediately to the Secretary any change in such information.

(d) A Director may not be subject to a statutory disqualification.

Section 3. Terms of Office

(a) The Board term of the Chief Executive Officer shall expire when such individual ceases to be Chief Executive Officer of the Company.

(b) Except as otherwise provided by law or by this Agreement, after the first meeting of the Company at which Directors are elected, Directors of the Company shall be elected each year at the annual meeting of the LLC Member, or at a special meeting called for such purpose in lieu of the annual meeting. If the annual election of Directors is not held on the date designated therefor, the Directors shall cause such election to be held as soon thereafter as convenient.

Section 4. Nomination and Election

(a) The Nominating Committee each year shall nominate Directors for each Director position standing for election at the annual meeting of the LLC Member that year. For positions requiring persons who qualify as Member Representative Directors, the Nominating Committee shall nominate only those persons whose names have been approved and submitted by the Member Nominating Committee, and approved by, if applicable, Exchange Members pursuant to the procedures set forth below in this Section 4.

(b) The Member Nominating Committee shall consult with the Nominating Committee, the Chairman and Chief Executive Officer, and shall solicit comments from Exchange Members for the purpose of approving and submitting names of candidates for election to the position of Member Representative Director.

(c) Not less than sixty (60) days prior to the date announced as the date for the annual or special meeting of the LLC Member, the Member Nominating Committee shall report to the Nominating Committee and the Secretary the initial nominees for Member Representative Director positions on the Board that have been approved and submitted by the Member Nominating Committee. The Secretary shall promptly notify Exchange Members of those initial nominees. Exchange Members may identify other candidates ("Petition Candidates") for purposes of this Section 4 for the Member Representative Director positions by delivering to the Secretary, at least thirty-five (35) days before the date announced as of the date of the annual or special meeting of the LLC Member (the "Record Date" for purposes of this Section 4), a written petition, which shall designate the candidate by name and office and shall be signed by Executive Representatives of ten percent (10%) or more of the Exchange Members. An Exchange Member may endorse as many candidates as there are Member Representative Director positions to be filled. No Exchange Member, together with its affiliates, may account for more than fifty percent (50%) of the signatures endorsing a particular candidate, and any signatures of such Exchange Member, together with its affiliates, in excess of the fifty percent (50%) limitation shall be disregarded.

(d) Each petition for a Petition Candidate must include a completed questionnaire used to gather information concerning Member Representative Director candidates and must be filed with the Company (the Company shall provide the form of questionnaire upon the request of any Exchange Member).

(e) If no valid petitions from Exchange Members are received by the Record Date, the initial nominees approved and submitted by the Member Nominating Committee shall be nominated as Member Representative Directors by the Nominating Committee. If one or more valid petitions from Exchange Members are received by the Record Date, the Secretary shall include such additional nominees, along with the initial nominees nominated by the Member Nominating Committee, on a list of nominees (the "List of Candidates"). Upon completion, the List of Candidates shall be sent by the Secretary to all Exchange Members that were Exchange Members on the Record Date, by any means, including electronic transmission, to confirm the nominees for the Member Representative Director positions. The List of Candidates shall be accompanied by a notice regarding the time and date of an election to be held at least twenty (20) days prior to the annual or special LLC Member's meeting to confirm the Exchange Members' selections of nominees for Member Representative Directors.

(f) With respect to the election held to determine the final nomination of Member Representative Directors, each Exchange Member shall have the right to cast one (1) vote for each available Member Representative Director nomination; provided, however, that any such vote must be cast for a person on the List of Candidates and that no Exchange Member, together with its affiliates, may account for more than twenty percent (20%) of the votes cast for a candidate, and any votes cast by such Exchange Member, together with its affiliates, in excess of such twenty percent (20%) limitation shall be disregarded. The votes shall be cast by written ballot, electronic transmission or any other means as set forth in a notice to the Exchange Members sent by the Company prior to such election. Only votes received prior to 4:00 pm Eastern Time on the date of the election shall count for the nomination of a Member Representative Director. The persons on the List of Candidates who receive the most votes shall be selected as the nominees for the Member Representative Director positions to be elected by the LLC Member.

(g) The initial Directors of the Board of Directors shall be appointed by the LLC Member and shall serve until the first annual meeting of the LLC Member, which would take place within ninety (90) days after the Approval Date, as defined in Article XI, Section 1 of this Operating Agreement.

Section 5. Chairman of the Board

The Chief Executive Officer shall be the Chairman of the Board ("Chairman"). The Chairman shall preside at all meetings of the Board at which the Chairman is present; provided, however, that he or she shall not participate in executive sessions of the Board. The Chairman shall exercise such other powers and perform such other duties as may be assigned to the Chairman from time to time by the Board. The Board of Directors shall designate a Lead Director from among the Board's Independent Directors to preside over executive sessions of the Board. The Board shall publicly disclose the identity of the Lead Director and the means by which interested parties may communicate with the Lead Director.

Section 6. Vacancies

(a) Whenever any Director position, other than a Member Representative Director, becomes vacant prior to the election of a successor at the end of such Director's term, whether because of death, disability, disqualification, removal, or resignation, and whenever any newly-created Director position, other than a Member Representative Director position, becomes available because of an increase in the number of Directors, the Nominating Committee shall nominate, and the LLC Member shall elect, a person satisfying the classification (Industry, Non-Industry, or Independent Director), if applicable, for the directorship) to fill such vacancy until the expiration of such position's designated term or to fill such newly-created Director position until the expiration of such position's designated term; *provided, however*, that if the remaining term of office of a Director at the time of such Director's vacancy is not more than six months, during the period of vacancy the Board shall not be deemed to be in violation of Article III, Section 2(b) of this Agreement by virtue of such vacancy.

(b) Whenever any Member Representative Director position becomes vacant prior to the election of a successor at the end of such Member Representative Director's term, whether because of death, disability, disqualification, removal, or resignation, and whenever any newly-created Member Representative Director position becomes available because of an increase in the number of Directors, then the LLC Member shall follow the procedures set forth in this Article III Section 6(b). In such an event, the Member Nominating Committee shall either (i) recommend an individual to the LLC Member to be elected to fill such vacancy or (ii) provide a list of recommended individuals to the LLC Member from which the LLC Member shall elect the individual to fill such vacancy. A Member Representative Director elected pursuant to this Article III Section 6(b) shall serve until the expiration of the remaining term or until the expiration of such position's designated term; *provided, however*, that if the remaining term of office of a Member Representative Director at the time of such Director's vacancy is not more than six (6) months, during the period of vacancy the Board shall not be deemed to be in violation of Article III Section 2(b) of this Agreement by virtue of such vacancy. The LLC Member shall elect to any Member Representative Director position, pursuant to this Article III, Section 6, only individuals recommended by the Member Nominating Committee.

Section 7. Removal and Resignation

(a) Except as hereinafter provided, any Director may be removed or expelled with or without cause by majority vote of the LLC Member, and may be removed by the Board of Directors in the manner provided by Article III, Section 7(b) of this Agreement; provided, however, that any Member Representative Director may only be removed for cause, which shall include, without limitation, such Director being subject to a statutory disqualification.

(b) A Director shall be removed immediately upon a determination by the Board, by a majority vote of the remaining Directors, (a) that the Director no longer satisfies the classification for which the Director was elected; and (b) that the Director's continued service as such would violate the compositional requirements of the Board set forth in Article III, Section 2(b) of this Agreement.

(c) Any Director may resign at any time either upon notice of resignation to the Chairman of the Board, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Section 8. Place of Meetings; Mode

Any meeting of the Board may be held at such place, within or without the State of Delaware, as shall be designated in the notice of such meeting, but if no such designation is made, then the meeting will be held at the principal business office of the Company. Members of the Board or any committee of the Board may participate in a meeting of the Board or committee by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 9. Regular Meetings

Regular meetings of the Board may be held, with or without notice, at such time or place as may from time to time be specified in a resolution adopted by the Board.

Section 10. Special Meetings

(a) Special meetings of the Board may be called on a minimum of two (2) days' notice to each Director by the Chairman or the President, and shall be called by the Secretary upon the written request of three (3) Directors then in office.

(b) The person or persons calling a special meeting of the Board shall fix the time and place at which the meeting shall be held, and such time and place shall be specified in the notice of such meeting. Notice of any special meeting shall be given to each Director at his or her business address or such other address as he or she may have advised the Secretary to use for such purpose. If delivered, notice shall be deemed to be given when delivered to such address or to the Director to be notified. If mailed, such notice shall be deemed to be given five (5) business days after deposit in the United States mail, postage prepaid, of a letter addressed to the appropriate location. Notice may also be given by telephone, electronic transmission or other means not specified in this section, and in each such case shall be deemed to be given when actually received by the Director to be notified.

Section 11. Exchange Member Meetings

The Company shall not be required to hold meetings of the Exchange Members.

Section 12. Voting, Quorum and Action by the Board

Each Director shall be entitled to one (1) vote. At all meetings of the Board, the presence of a majority of the number of Directors then in office shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice

other than announcement at the meeting, until a quorum shall be present. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board except as may be otherwise specifically provided by statute or this Agreement.

Section 13. Presumption of Assent

A Director of the Company who is present at a duly convened meeting of the Board or of a committee of the Board at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent or election to abstain shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent or election to abstain to such action with the person acting as the secretary of the meeting before the adjournment of the meeting or shall forward such dissent or election to abstain by registered or certified mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

Section 14. Action in Lieu of Meeting

Unless otherwise restricted by statute or this Agreement, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing(s) or electronic transmission(s) are filed with the minutes of proceedings of the Board or the committee.

Section 15. Waiver of Notice

(a) Whenever notice is required to be given by law or this Agreement, a waiver thereof by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board, or members of a committee, need be specified in any waiver of notice.

(b) Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 16. Compensation of Board and Committee Members

The Board may provide for reasonable compensation of the Chairman, the Directors and the members of committees. The Board may also provide for reimbursement of reasonable expenses incurred by such persons in connection with the business of the Company.

Section 17. Interpretation of Operating Agreement

The Board shall have the power to interpret this Agreement and any interpretation made by it shall be final and conclusive.

Section 18. Conflicts of Interest; Contracts and Transactions Involving Directors

(a) A Director or a member of any committee may not participate in the consideration or decision of any matter relating to a particular Exchange Member, company, or individual if such Director or committee member has a material interest in, or a professional, business, or personal relationship with, that Exchange Member, company, or individual, or if such participation shall create an appearance of impropriety. In any such case, the Director or committee member shall recuse himself or herself or shall be disqualified. If a member of the Board or any committee is recused from consideration of a matter, any decision on the matter shall be by a vote of a majority of the remaining members of the Board or applicable committee.

(b) No contract or transaction between the Company and one or more of its Directors or officers, or between the Company and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason if: (i) the material facts pertaining to such Director's or officer's relationship or interest and the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or (ii) the material facts are disclosed or become known to the Board or committee after the contract or transaction is entered into, and the Board or committee in good faith ratifies the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum.

ARTICLE IV

LLC Member

Section 1. Annual Meeting; Election of Directors and Other Matters

(a) The annual meeting of the LLC Member shall be held at such place and time as determined by the Board for the purpose of electing Directors and members of the Nominating Committee and Member Nominating Committee, and for conducting such other business as may properly come before the meeting. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to the LLC Member at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

(b) The first annual meeting of the LLC Member shall be held within ninety (90) days after the Approval Date, as defined in Article XI, Section 1 of this Operating Agreement.

Section 2. Special Meetings

Special meetings of the LLC Member, for any purpose or purposes, may be called by the Chairman, the Board or the President, and shall be called by the Secretary at the request in writing of the LLC Member. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given to the LLC Member entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. Business transacted at any special meeting of the LLC Member shall be limited to the purpose(s) stated in the notice of the meeting.

Section 3. Action in Lieu of Meeting

Any action upon which a vote of the LLC Member is required or permitted, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the LLC Member.

Section 4. Assignment

The LLC Member may not transfer or assign, in whole or in part, its ownership interest(s) in the Company to any entity, unless such transfer or assignment shall be filed with and approved by the Commission under Section 19 of the '34 Act and the rules promulgated thereunder.

ARTICLE V

Committees of the Board

Section 1. Number of Committees

The committees of the Board shall consist of an Appeals Committee, a Nominating Committee, a Member Nominating Committee, a Regulatory Oversight Committee, and such other committees as may be from time to time established by the Board. Committees shall have such authority as is vested in them by this Agreement or the Rules, or as is delegated to them by the Board. All committees are subject to the control and supervision of the Board.

Section 2. Appointment and Removal; Vacancies; Term

(a) The Chairman, with the approval of the Board, shall appoint, consistent with this Agreement, the members of all committees of the Board, and the Chairman may, at any time, with or without cause, remove any member of a committee so appointed, with the approval of the Board. Each committee shall be comprised of at least two (2) people and may include persons who are not members of the Board; provided, however, that such committee members who are not also members of the Board shall only participate in committee actions to the extent permitted by law. In appointing members to committees of the Board, the Chairman is responsible for determining that any such committee meets the composition requirements set forth in this Article V.

(b) Upon request of the Secretary, each prospective committee member who is not a Director shall provide to the Secretary such information as is reasonably necessary to serve as the basis for a determination of the prospective committee member's classification as an Industry, Non-Industry, or Independent member. The Secretary shall certify to the Board each prospective committee member's classification. Such committee members shall update the information submitted under this subsection at least annually and upon request of the Secretary, and shall report immediately to the Secretary any change in such information.

(c) The term of office of a committee member shall terminate immediately upon a determination by the Board, by a majority vote of the Directors, (i) that the committee member no longer satisfies the classification for which the committee member was selected; and (ii) that

the committee member's continued service as such would violate the compositional requirements of such committee set forth in this Article V.

(d) Any vacancy occurring in a committee shall be filled by the Chairman for the remainder of the term, with the approval of the Board.

(e) Except as otherwise provided by this Agreement, members of a committee shall hold office for a one-year period.

Section 3. Powers and Duties of Committees

To the extent provided in the resolution of the Board, any committee that consists solely of one or more Directors shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company.

Section 4. Conduct of Proceedings

Except as otherwise provided in this Agreement or by the Board, each committee may adopt its own rules of procedure and may meet at stated times or on such notice as such committee may determine. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 5. Voting, Quorum and Action by Committees

Each committee member shall be entitled to one (1) vote. Unless otherwise required by this Agreement, the presence of a majority of the number of committee members serving on a committee shall constitute a quorum for the transaction of business of such committee. If a quorum shall not be present at any meeting of a committee, the committee members present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. The act of a majority of the committee members present at any meeting at which there is a quorum shall be the act of such committee except as may be otherwise specifically provided by statute or this Agreement.

Section 6. Specified Committees

(a) The Chairman, with the approval of the Board, may appoint a Compensation Committee, and if not so appointed, references to the Compensation Committee herein shall refer to the entire Board. The Compensation Committee shall consider and recommend compensation policies, programs, and practices for officers and other employees of the Company. Each voting member of the Compensation Committee shall be a Non-Industry Director.

(b) The Chairman, with the approval of the Board, may appoint an Audit Committee consisting of Directors, and if not so appointed, references to the Audit Committee herein shall refer to the entire Board. A majority of the Audit Committee members shall be Non-Industry Directors. A Non-Industry Director shall serve as Chairman of the Audit Committee. All Audit Committee Directors shall be Independent Directors. The Audit Committee shall perform the following primary functions, as well as such other functions as may be specified in the charter of the Audit Committee: (A) provide oversight over the Company's financial reporting process and

the financial information that is provided to the LLC Member and others; (B) provide oversight over the systems of internal controls established by management and the Board and the Company's legal and compliance process; (C) select, evaluate and, where appropriate, replace the Company's independent auditors (or nominate the independent auditors to be proposed for ratification by the LLC Member); and (D) direct and oversee all the activities of the Company's internal audit function, including but not limited to management's responsiveness to internal audit recommendations. The Audit Committee shall have exclusive authority to: (A) hire or terminate the head of the Company's Internal Audit Department; (B) determine the compensation of the head of the Internal Audit Department; and (C) determine the budget for the Internal Audit Department. The Internal Audit Department and its head shall report directly to the Audit Committee. The Audit Committee may, in its discretion, direct that the Internal Audit Department also report to senior management of the Company on matters the Audit Committee deems appropriate and may request that senior management of the Company perform such operational oversight as necessary and proper, consistent with preservation of the independence of the internal audit function.

(c) The Chairman, with the approval of the Board, shall appoint a Regulatory Oversight Committee. The Regulatory Oversight Committee shall oversee the adequacy and effectiveness of the Exchange's regulatory and self-regulatory organization responsibilities, assess the Exchange's regulatory performance, and assist the Board and committees of the Board in reviewing the regulatory plan and the overall effectiveness of the Exchange's regulatory functions. In furtherance of its functions, the Regulatory Oversight Committee (i) shall review the Exchange's regulatory budget, which shall be approved by the Board of Directors, and shall specifically inquire into the adequacy of resources available in the budget for regulatory activities; and (ii) shall meet regularly with the Chief Regulatory Officer in executive session. The Regulatory Oversight Committee shall also, in consultation with the Chief Executive Officer of the Company, be responsible for establishing the goals, assessing the performance, and fixing the compensation of the Chief Regulatory Officer and for recommending personnel actions involving the Chief Regulatory Officer and senior regulatory personnel. To the extent that the Chief Executive Officer of the Company has any indirect supervisory responsibility for the role or function of the Chief Regulatory Officer, including but not limited to, implementation of the budget for the regulatory function or regulatory personnel matters, the Regulatory Oversight Committee shall take all steps reasonably necessary to ensure that the Chief Executive Officer does not compromise the regulatory autonomy and independence of the Chief Regulatory Officer or the regulatory function. Each member of the Regulatory Oversight Committee shall be an Independent Director.

(d) The Chairman, with the approval of the Board, shall appoint an Appeals Committee. The Appeals Committee shall preside over all appeals related to disciplinary and adverse action determinations in accordance with the Exchange Rules. The Appeals Committee shall consist of two Independent Directors, and one Member Representative Director. If the Independent Director recuses himself or herself from an appeal, due to a conflict of interest or otherwise, such Independent Director may be replaced by a Non-Industry Director for purposes

of the applicable appeal if there is no other Independent Director able to serve as the replacement.

(e) The Chairman, with the approval of the Board, may appoint an Executive Committee, which shall, to the fullest extent permitted by Delaware law and other applicable law, have and be permitted to exercise all the powers and authority of the Board in the management of the business and affairs of the Company between meetings of the Board. The number of Non-Industry Directors on the Executive Committee shall equal or exceed the number of Industry Directors on the Executive Committee. The percentage of Independent Directors on the Executive Committee shall be at least as great as the percentage of Independent Directors on the whole Board, and the percentage of Member Representative Directors on the Executive Committee shall be at least as great as the percentage of Member Representative Directors on the whole Board.

(f) The Chairman, with the approval of the Board, may appoint a Finance Committee. The Finance Committee shall advise the Board with respect to the oversight of the financial operations and conditions of the Company, including recommendations for Company's annual operating and capital budgets.

ARTICLE VI

Nominating Committees

Section 1. Election of Nominating Committee and Member Nominating Committee

The Nominating Committee and the Member Nominating Committee shall each be elected on an annual basis by vote of the LLC Member. The LLC Member shall appoint the initial Nominating Committee and Member Nominating Committee consistent with the compositional requirements of this Article VI. In each subsequent year, each of the Nominating Committee and Member Nominating Committee, after completion of its respective duties for nominating Directors for election to the Board for that year, shall nominate candidates to serve on the succeeding year's Nominating Committee or Member Nominating Committee, as applicable, such candidates to be voted on by the LLC Member at the annual meeting of the LLC Member. Additional candidates for the Member Nominating Committee may be nominated and elected pursuant to the same process as provided for in Article III, Section 4 of this Agreement.

Section 2. Nominating Committee

The Nominating Committee shall nominate candidates for election to the Board at the annual meeting of the LLC Member and all other vacant or new Director positions on the Board. The Nominating Committee, in making such nominations, is responsible for ensuring that candidates meet the compositional requirements of Article III, Section 2(b) of this Agreement. The number of Non-Industry members on the Nominating Committee shall equal or exceed the number of Industry members on the Nominating Committee. All Nominating Committee members shall be Independent Directors. A Nominating Committee member may simultaneously serve on the Nominating Committee and the Board.

Section 3. Member Nominating Committee

The Member Nominating Committee shall nominate candidates for each Member Representative Director position on the Board that is to be elected by Exchange Members or the LLC Member under the terms of this Agreement. Each member of the Member Nominating Committee shall be a Member Representative member.

ARTICLE VII

Officers, Agents and Employees

Section 1. General

The officers of the Company shall include a Chief Executive Officer, a President, a Chief Regulatory Officer, a Secretary, a Treasurer, and such other officers as in the Board's opinion are desirable for the conduct of the business of the Company. Any two or more offices may be held by the same person, except that the offices of the President and Secretary may not be held by the same person.

Section 2. Appointment and Tenure

Each officer of the Company shall be appointed by the Board on an annual basis, and shall hold office until his or her successor is appointed and qualified or until his or her earlier death, disability, disqualification, removal, or resignation. An officer may serve for any number of terms, consecutive or otherwise.

Section 3. Resignation and Removal of Officers; Vacancies

(a) Any officer may resign at any time upon notice of resignation to the Chairman and Chief Executive Officer, the President, or the Secretary. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein, or if the time is not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

(b) Any officer of the Company may be removed, with or without cause, by the Board. Such removal shall be without prejudice to the contractual rights of the affected officer, if any, with the Company.

(c) Vacancies in any office of the Company may be filled for the unexpired term by the Board.

Section 4. Compensation

The Compensation of the Chief Executive Officer shall be fixed by the Compensation Committee. The salaries of all other officers and agents of the Company shall be fixed by the Chief Executive Officer, in consultation with the Compensation Committee, with the exception of the Chief Regulatory Officer, whose compensation shall be set by the Regulatory Oversight Committee as set forth in Article V, Section 6(c) of this Agreement.

Section 5. Powers and Duties; Delegation

Each of the officers of the Company shall, unless otherwise ordered by the Board, have such powers and duties as customarily pertain to the respective office, and such further powers and duties as from time to time may be conferred by the Board, or by an officer delegated such authority by the Board. The Board may delegate the duties and powers of any officer of the Company to any other officer or to any Director for a specified period of time and for any reason that the Board may deem sufficient.

Section 6. Chief Executive Officer

The Chief Executive Officer shall be the Chairman of the Board and shall preside at all meetings of the Board at which the Chief Executive Officer is present; provided, however, that he or she shall not participate in executive sessions of the Board. The Chief Executive Officer shall be the chief executive officer of the Company, shall have general supervision over the business and affairs of the Company, and shall serve at the pleasure of the Board. The Chief Executive Officer shall have all powers and duties usually incident to the office of the Chief Executive Officer, except as specifically limited by a resolution of the Board. The Chief Executive Officer shall exercise such other powers and perform such other duties as may be assigned to the Chief Executive Officer from time to time by the Board.

Section 7. President

The President shall, in the absence of the Chairman and Chief Executive Officer, preside at all meetings of the Board at which the President is present. The President shall have general supervision over the operations of the Company. The President shall have all powers and duties usually incident to the office of the President, except as specifically limited by a resolution of the Board. The President shall exercise such other powers and perform such other duties as may be assigned to the President from time to time by the Board.

Section 8. Vice President

The Board shall appoint one or more Vice Presidents. In the absence or disability of the President or if the office of President becomes vacant, the Vice Presidents in the order determined by the Board, or if no such determination has been made, in the order of their seniority, shall perform the duties and exercise the powers of the President, subject to the right of the Board at any time to extend or restrict such powers and duties or to assign them to others. Any Vice President may have such additional designations in such Vice President's title as the Board may determine. The Vice Presidents shall generally assist the President in such manner as the President shall direct. Each Vice President shall exercise such other powers and perform such other duties as may be assigned to such Vice President from time to time by the Board, the Chief Executive Officer or the President. The term "Vice President" used in this Section 8 shall include the positions of Executive Vice President, Senior Vice President, and Vice President.

Section 9. Chief Regulatory Officer

An officer of the Company with the position of Executive Vice President or Senior Vice President shall be designated as the Chief Regulatory Officer of the Company. The Chief Regulatory Officer shall have general supervision of the regulatory operations of the Company,

including responsibility for overseeing the Company's surveillance, examination, and enforcement functions and for administering any regulatory services agreements with another self-regulatory organization to which the Company is a party. The Chief Regulatory Officer shall meet with the Regulatory Oversight Committee of the Company in executive session at regularly scheduled meetings of such committee, and at any time upon request of the Chief Regulatory Officer or any member of the Regulatory Oversight Committee. The Chief Regulatory Officer may, but is not required to, also serve as the General Counsel of the Company.

Section 10. Secretary

The Secretary shall act as Secretary of all meetings of the Board at which the Secretary is present, shall record all the proceedings of all such meetings in a book to be kept for that purpose, shall have supervision over the giving and service of notices of the Company, and shall have supervision over the care and custody of the books and records of the Company. The Secretary shall be empowered to affix the Company's seal, if any, to documents, the execution of which on behalf of the Company under its seal is duly authorized, and when so affixed, may attest the same. The Secretary shall have all powers and duties usually incident to the office of Secretary, except as specifically limited by a resolution of the Board. The Secretary shall exercise such other powers and perform such other duties as may be assigned to the Secretary from time to time by the Board, the Chief Executive Officer or the President.

Section 11. Assistant Secretary

In the absence of the Secretary or in the event of the Secretary's inability or refusal to act, any Assistant Secretary, approved by the Board, shall exercise all powers and perform all duties of the Secretary. An Assistant Secretary shall also exercise such other powers and perform such other duties as may be assigned to such Assistant Secretary from time to time by the Board or the Secretary.

Section 12. Treasurer

The Treasurer shall have general supervision over the care and custody of the funds and over the receipts and disbursements of the Company and shall cause the funds of the Company to be deposited in the name of the Company in such banks or other depositories as the Board may designate. The Treasurer shall have supervision over the care and safekeeping of the securities of the Company. The Treasurer shall have all powers and duties usually incident to the office of Treasurer except as specifically limited by a resolution of the Board. The Treasurer shall exercise such other powers and perform such other duties as may be assigned to the Treasurer from time to time by the Board, the Chief Executive Officer or the President.

Section 13. Assistant Treasurer

In the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, any Assistant Treasurer, approved by the Board, shall exercise all powers and perform all duties of the Treasurer. An Assistant Treasurer shall also exercise such other powers and

perform such other duties as may be assigned to such Assistant Treasurer from time to time by the Board or the Treasurer.

ARTICLE VIII

Indemnification

Section 1. Indemnification of Directors, Officers, Employees And Other Agents.

The Company shall indemnify its directors and executive officers to the fullest extent not prohibited by the Delaware General Corporation Law; provided, however, that the Company may limit the extent of such indemnification by individual contracts with its directors and executive officers; and, provided, further, that the Company shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the Company or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the Company or (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the Delaware General Corporation Law.

(a) Other Officers, Employees and Other Agents.

The Company shall have the power to indemnify its other officers, employees and other agents as set forth in the Delaware General Corporation Law.

(b) Expenses.

The Company shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer, of the Company, or is or was serving at the request of the Company as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Article VIII or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Article VIII, Section 1, no advance shall be made by the Company to an executive officer of the Company (except by reason of the fact that such executive officer is or was a director of the Company in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination

is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Company.

(b) Enforcement.

Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Article VIII shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Company and the director or executive officer. Any right to indemnification or advances granted by this Article VIII to a director or executive officer shall be enforceable by or on behalf of the person holding such right in the forum in which the proceeding is or was pending or, if such forum is not available or a determination is made that such forum is not convenient, in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. The Company shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the Delaware General Corporation Law for the Company to indemnify the claimant for the amount claimed. Neither the failure of the Company (including its Board of Directors, independent legal counsel or the LLC Member) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Company (including its Board of Directors, independent legal counsel or the LLC Member) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

(c) Non Exclusivity of Rights.

To the fullest extent permitted by the Act, the rights conferred on any person by this Article VIII shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, this Agreement, agreement, vote of the LLC Member or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent permitted by the Act and this Agreement.

(d) Survival of Rights.

The rights conferred on any person by this Article VIII shall continue as to a person who has ceased to be a director or executive officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(e) Insurance.

The Company, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Article VIII.

(f) Amendments.

Any repeal or modification of this Article VIII shall only be prospective and shall not affect the rights under this Article VIII in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the Company.

(g) Saving Clause.

If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each director and executive officer to the fullest extent permitted by any applicable portion of this Article VIII that shall not have been invalidated, or by any other applicable law.

(h) Certain Definitions.

For the purposes of this Article VIII, the following definitions shall apply:

(i) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement and appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

(ii) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding, including expenses of establishing a right to indemnification under this Article VIII or any applicable law.

(iii) The term the "Company" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "director," "officer," "employee," or "agent" of the Company shall include, without limitation, situations where such person is serving at the request of the Company as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

Section 2. Exchange Not Liable

Except as provided in the Exchange Rules, the Company shall not be liable for any loss or damage sustained by any current or former Exchange Member growing out of the use or enjoyment by such Exchange Member of the facilities afforded by the Company (or any predecessor or successor thereof) or its subsidiaries.

ARTICLE IX

Amendments; Emergency Operating Agreement

Section 1. By the LLC Member or Board

(a) This Agreement may be altered, amended, or repealed, or a new Operating Agreement may be adopted, (i) by the written consent of the LLC Member, or (ii) at any regular or special meeting of the Board or by a resolution adopted by the Board.

(b) Before any amendment to, or repeal of, any provision of this Agreement shall be effective, those changes shall be submitted to the Board of Directors of the Company and if such amendment or repeal must be filed with or filed with and approved by the Commission, then the proposed changes to this Agreement shall not become effective until filed with or filed with and approved by the Commission as set forth in Article IX, Section 4 of this Agreement.

Section 2. Emergency Operating Agreement

The Board may adopt emergency Operating Agreement subject to repeal or change by action of the LLC Member which shall, notwithstanding any different provision of law, the Certificate of Formation, or this Agreement, be operative during any emergency resulting from any nuclear or atomic disaster, an attack on the United States or on a locality in which the Company conducts its business or customarily holds meetings of the Board, any catastrophe, or other emergency condition, as a result of which a quorum of the Board or a committee thereof cannot readily be convened for action. Such emergency Operating Agreement may make any provision that may be practicable and necessary under the circumstances of the emergency.

Section 3. Authority to Take Action Under Extraordinary Market Conditions

The Board, or such person or persons as may be designated by the Board, in the event of extraordinary market conditions, shall have the authority to take any action regarding:

(a) the trading in or operation of the national securities exchange operated by the Company or any other organized securities markets that may be operated by the Company, the operation of any automated system owned or operated by the Company, and the participation in any such system of any or all persons or the trading therein of any or all securities; and

(b) the operation of any or all offices or systems of Exchange Members, if, in the opinion of the Board or the person or persons hereby designated, such action is necessary or appropriate for the protection of investors or the public interest or for the orderly operation of the marketplace or the system.

Section 4. Commission Approval

Before any amendment to, alteration or repeal of any provision of this Agreement under this Article IX shall be effective, those changes shall be submitted to the Board and if the same must be filed with and approved by the Commission under Section 19 of the '34 Act and the rules promulgated thereunder, then the proposed changes to this Agreement shall not become effective until filed with or filed with and approved by the Commission under Section 19 of the '34 Act and the rules promulgated thereunder, as the case may be.

ARTICLE X

Exchange Authorities

Section 1. Rules

(a) The Board, acting in accordance with the terms of this Agreement and the Rules, shall be vested with all powers necessary for the government of the Company as an "exchange" within the meaning of the '34 Act. To promote and enforce just and equitable principles of trade and business, to maintain high standards of commercial honor and integrity among Exchange Members, to collaborate with governmental and other agencies in the promotion of fair practices and the elimination of fraud, and in general to carry out the purposes of the Company and of the '34 Act, the Board is hereby authorized to adopt such rules and such amendments thereto as it may, from time to time, deem necessary or appropriate. If any such rules or amendments thereto are approved by the Commission or otherwise become effective as provided in the '34 Act, they shall become operative Exchange Rules as of the date of Commission approval or effectiveness under the '34 Act unless a later operative date is declared by the Company. The Board is hereby authorized, subject to the provisions of this Agreement and the '34 Act, to administer, enforce, interpret, issue exemptions from, suspend, or cancel any Rules adopted hereunder.

Section 2. Disciplinary Proceedings

(a) The Board is authorized to establish procedures relating to disciplinary proceedings involving Exchange Members and their associated persons.

(b) The Board is authorized to impose appropriate sanctions applicable to Exchange Members, including censure, fine, suspension, or expulsion from membership, suspension or bar from being associated with all Exchange Members, limitation of activities, functions, and operations of an Exchange Member, or any other fitting sanction, and to impose appropriate sanctions applicable to persons associated with Exchange Members, including censure, fine, suspension, or barring a person associated with an Exchange Member from being associated with all Exchange Members, limitation of activities, functions, and operations of a person associated with an Exchange Member, or any other fitting sanction, for:

(i) a breach by an Exchange Member or a person associated with an Exchange Member of any covenant with the Company or the LLC Member;

(ii) violation by an Exchange Member or a person associated with an Exchange Member of any of the terms, conditions, covenants, and provisions of the this

Agreement, the Rules, or the federal securities laws, including the rules and regulations adopted thereunder;

(iii) failure by an Exchange Member or person associated with an Exchange Member to: (A) submit a dispute for arbitration as may be required by the Rules; (B) appear or produce any document in the Exchange Member's or person's possession or control as directed pursuant to the Rules; (C) comply with an award of arbitrators properly rendered, where a timely motion to vacate or modify such award has not been made pursuant to applicable law or where such a motion has been denied; or (D) comply with a written and executed settlement agreement obtained in connection with an arbitration or mediation submitted for disposition; or

(iv) failure by an Exchange Member or person associated with an Exchange Member to adhere to any ruling, order, direction, or decision of or to pay any sanction, fine, or costs imposed by the Board or any entity to which the Board has delegated its powers.

Section 3. Membership Qualifications

(a) The Board shall have authority to adopt rules and regulations applicable to Exchange Members, applicants seeking to become Exchange Members, and persons associated with applicants or Exchange Members, establishing specified and appropriate standards with respect to the training, experience, competence, financial responsibility, operational capability, and such other qualifications as the Board finds necessary or desirable.

(b) The Board may from time to time make such changes in such rules, regulations, and standards as it deems necessary or appropriate.

(c) Uniform standards for regulatory and other access issues, such as admission to membership and conditions to becoming an Exchange market maker, shall be promulgated and applied on a consistent basis, and the Company shall institute safeguards to ensure fair and evenhanded access to all of its services and facilities.

Section 4. Fees, Dues, Assessments, and Other Charges

The Board shall have authority to fix and levy the amount of fees, dues, assessments, and other charges to be paid by Exchange Members and issuers and any other persons using any facility or system that the Company operates or controls; provided, however, that such fees, dues, assessments, and other charges shall be equitably allocated among Exchange Members and issuers and any other persons using any facility or system that the Company operates or controls. Any Regulatory Funds will not be used for non-regulatory purposes or distributed to the LLC Member, but rather, shall be applied to fund regulatory operations of the Company (including surveillance and enforcement activities), or, as the case may be, shall be used to pay restitution and disgorgement of funds intended for customers.

ARTICLE XI

Miscellaneous Provisions

Section 1. Operational Date of Exchange

The Company has been formed in anticipation of its registration by the United States Securities and Exchange Commission as a national securities exchange (such date of approval by the Commission, the "**Approval Date**"). During the period between formation and the first date on which the Company commences operating a national securities exchange (the "Operational Date"):

(a) references in this Agreement to "the national securities exchange operated by the Company" shall be construed as references to "the national securities exchange to be operated by the Company"; and

(b) the Board of Directors of the Company may appoint members of the committees to be established under this Agreement, but shall not be required to appoint all such committee members until the date immediately prior to the Operational Date.

Section 2. Fiscal Year

The fiscal year of the Company shall be as determined from time to time by the Board.

Section 3. Participation in Board and Committee Meetings

All meetings of the Board (and any committees of the Board) pertaining to the self-regulatory function of the Company (including disciplinary matters) shall be closed to all persons other than members of the Board and officers, staff, counsel or other advisors whose participation is necessary or appropriate to the proper discharge of such regulatory functions and any representatives of the Commission. In no event shall members of the Board of Directors of the LLC Member who are not also members of the Board, or any officers, staff, counsel or advisors of the LLC Member who are not also officers, staff, counsel or advisors of the Company (or any committees of the Board), be allowed to participate in any meetings of the Board (or any committee of the Board) pertaining to the self-regulatory function of the Company (including disciplinary matters).

Section 4. Books and Records; Confidentiality of Information and Records Relating to SRO Function

The books and records of the Company shall be maintained at a location within the United States. All books and records of the Company reflecting confidential information pertaining to the self-regulatory function of the Company (including but not limited to disciplinary matters, trading data, trading practices, and audit information) shall be retained in confidence by the Company and its personnel, including its directors, officers, employees and agents, and will not be used by the Company for any non-regulatory purposes and shall not be made available to any person (including, without limitation, any Exchange Member) other than to personnel of the Commission, and those personnel of the Company, members of committees of the Board, members of the Board, hearing officers and other agents of the Company to the extent necessary or appropriate to properly discharge the self-regulatory responsibilities of the Company. Nothing in this Article XI shall be interpreted as to limit or impede the rights of the

Commission to access and examine such confidential information pursuant to the federal securities laws and the rules and regulations thereunder, or to limit or impede the ability of any officers, directors, employees or agents of the Company to disclose such confidential information to the Commission.

Section 5. Distributions

Subject to any provisions of any applicable statute or other provisions of this Agreement, distributions may be declared upon the profits of the Company by, and in the absolute discretion of, the Board; and any such distributions may be paid in cash, property or units of membership interests of the Company, as determined by the Board, and shall be declared and paid on such dates and in such amounts as are determined by the Board. Notwithstanding any provision to the contrary contained in this Agreement, (i) the Company shall not be required to make a distribution to the LLC Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law, and (ii) the Company shall not make a distribution to the LLC Member using Regulatory Funds or in violation of Article X, Section 4 of this Agreement.

Section 6. Reserves

Before payment of any dividends, there may be set aside out of any funds of the Company available for dividends such sum or sums as the Board from time to time, in its absolute discretion, determines to be proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Company, or for such other purpose as the Board shall determine to be conducive to the interests of the Company, and the Board may modify or abolish any such reserve in the manner in which it was created.

Section 7. Execution of Instruments, Contracts, etc.

(a) All checks, drafts, bills of exchange, notes, or other obligations or orders for the payment of money shall be signed in the name of the Company by such officer or officers or person or persons as the Board, or a duly authorized committee thereof, may from time to time designate. Except as otherwise provided by law, the Board, any committee given specific authority in the premises by the Board, or any committee given authority to exercise generally the powers of the Board during intervals between meetings of the Board may authorize any officer, employee, or agent, in the name of and on behalf of the Company, to enter into or execute and deliver deeds, bonds, mortgages, contracts, and other obligations or instruments, and such authority may be general or confined to specific instances.

(b) All applications, written instruments, and papers required by any department of the United States government or by any state, county, municipal, or other governmental authority may be executed in the name of the Company by any officer of the Company, or, to the extent designated for such purpose from time to time by the Board, by an employee or agent of the Company. Such designation may contain the power to substitute, in the discretion of the person named, one or more other persons.

Section 8. Power to Vote Stock

Unless otherwise instructed by the Board, the Chief Executive Officer of the Company shall have the power and authority on behalf of the Company to attend and to vote at any meeting of stockholders, partners or equity holders of any corporation, partnership or any other entity in which the Company may hold stock, partnership or other equity interests, as the case may be, and may exercise on behalf of the Company any and all of the rights and powers incident to the ownership of such stock, partnership or other equity interest at such meeting, and shall have the power and authority to execute and deliver proxies, waivers and consents on behalf of the Company in connection with the exercise by the Company of the rights and powers incident to the ownership of such stock, partnership or other equity interest. The Board and the Chief Executive Officer may from time to time confer like powers upon any other person or persons.

Section 9. Severability

If any provision of this Agreement, or the application of any provision of this Agreement to any person or circumstances, is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected.

Section 10. Tax Classification

The Member intends that the Company shall be treated as a "disregarded entity" within the meaning of Treasury Regulations Section 301.7701-2(c)(2) for federal and applicable state income tax purposes and will file its tax returns consistent with such treatment.

Section 11. Ownership of Company Property

All assets owned by the Company shall be owned by the Company as an entity, and held in the name of the Company. The Member shall not hold any ownership interest in any Company property in its own name or right.

Section 12. Transfer of Rights

The LLC Member may not transfer or assign in whole or in part its limited liability company interest in the Company to any entity, unless such transfer or assignment shall be filed with and approved by the Commission under Section 19 of the '34 Act and the rules promulgated thereunder.

Section 13. Indemnification

(a) The Company shall indemnify and hold harmless to the fullest extent permitted by the laws of the State of Delaware, as if the Company were a corporation incorporated under the laws of the State of Delaware, the Member and any officer and any affiliate thereof (individually, in each case, an "Indemnitee"), from and against any and all claims, demands, liabilities, costs damages, expenses, fines, settlements and causes of action of any nature whatsoever ("Losses") arising out of or incidental to the business, activities or operations of, or relating to, the Company, regardless of whether the Indemnitee continues to be a Member, officer or affiliate thereof at the

time any such liability or expense is paid or incurred; *provided, however*, that no Member, officer or affiliate may be indemnified by the Company from and against any Losses which result from the gross negligence or willful misconduct of such person.

(b) The indemnification provided by this Section 14 shall be in addition to any other rights to which an Indemnitee may be entitled under any other agreement, by vote of the Member, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, officer or affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

Section 14. Limited Liability Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise (including, without limitation, those arising as member, owner or shareholder of another company, partnership or entity), shall be the debts, obligations and liabilities solely of the Company, and neither any LLC Member nor any Director or Officer shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being an LLC Member or Director or Officer of the Company.

Section 15. Capital Contributions

The LLC Member has contributed to the Company the amounts set forth in the books and records of the Company.

Section 16. Additional Contributions

The LLC Member is not required to make any additional capital contribution to the Company. However, the LLC Member may make additional capital contributions to the Company at any time upon the consent of such LLC Member. To the extent that the LLC Member makes an additional capital contribution to the Company, the LLC Member shall revise the books and records of the Company. The provisions of this Agreement, including this Section 16, are intended to benefit the LLC Member and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor of the Company shall be a third-party beneficiary of this Agreement), and the LLC Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 17. Allocation of Profits and Losses

Subject to the restrictions of Article X Section 4, the Company's profits and losses shall be allocated to the LLC Member.

Section 18. Dissolution

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any dissolution event set forth in this Agreement,

as the same may be amended from time to time, (ii) the written consent of the LLC Member, (iii) the withdrawal or dissolution of the LLC Member or the occurrence of any other event which terminates the continued membership of the LLC Member in the Company unless the business of the Company is continued in a manner permitted by the Act, or (iv) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

(b) Notwithstanding any other provision of this Agreement, the bankruptcy of the LLC Member will not cause the LLC Member to cease to be a member of the Company, and upon the occurrence of such an event the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the LLC Member shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, provided under the Act and applicable law.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the LLC Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

Section 19. Severability of Provisions

Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 20. Entire Agreement

Except as expressly set forth in this Agreement, this Agreement constitutes the entire agreement with respect to the subject matter hereof, and supersedes and replaces any other written or oral agreement relating to the subject matter hereof, including any prior operating agreement of the Company.

Section 21. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

Section 22. No Third-Party Beneficiary

Any agreement to pay any amount and any assumption of liability in this Agreement contained, express or implied, shall be only for the benefit of the Member and his respective heirs, successors, and permitted assigns, and such agreements and assumptions shall not inure to the

benefit of the obligees of any indebtedness of any other party, whomsoever, deemed to be a third-party beneficiary of this Agreement.

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IN WITNESS WHEREOF, the LLC Member has executed this Agreement as of the date first above written.

LLC MEMBER:

IEX Group, Inc.

_____
Name: Bradley Katsuyama
Title: Chief Executive Officer

EXHIBIT A

SCHEDULE OF LLC MEMBER

Name	Capital Contribution	Membership Interest
IEX Group, Inc. 7 World Trade Center 30th Floor New York, NY 10007	$1.00	100%

Investors' Exchange LLC

Date of filing: September 9, 2015

Date as of which the information is accurate: September 9, 2015

Exhibit B

A copy of all written rulings, settled practices having the effect of rules, and interpretations of the Governing Board or other committee of the applicant in respect of any provisions of the constitution, by-laws, rules, or trading practices of the applicant which are not included in Exhibit A.

Attached as Addendum B-1 is the IEX Rule Book.

INVESTORS' EXCHANGE LLC RULE BOOK

Version 1.00

Updated: August 20, 2015

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CHAPTER 1. ADOPTION, INTERPRETATION AND APPLICATION OF IEX RULES, AND DEFINITIONS

Rule Series 1.100. General Provisions

Rule 1.110. Adoption of IEX Rules

The following IEX Rules are adopted pursuant to Article III, Section 1 and Article X, Section 1 of the Operating Agreement of the Exchange.

Rule 1.120. Effective Date

(a) All IEX Rules shall be effective when approved by the Commission in accordance with the Act and the rules and regulations thereunder, except for those Rules that are effective upon filing with the Commission, and except as otherwise specified by the Exchange in individual Rule filings or these Rules.

Rule 1.130. Interpretation

IEX Rules shall be interpreted in such a manner as to comply with the rules and requirements of the Act and to effectuate the purposes and business of the Exchange, as well as to require that all practices by the Exchange be just, reasonable, and not unfairly discriminatory.

Rule 1.140. Reserved.

Rule 1.150. Applicability

(a) These Rules shall apply to all Members and persons associated with a Member. Persons associated with a Member shall have the same duties and obligations as a Member under these Rules.

(b) A Member or person associated with a Member, who has been expelled, canceled, or revoked from membership or from registration with the Exchange, or who has been barred from being associated with all Members, shall cease to have any privileges of Exchange membership or registration. A Member or person associated with a Member who has been suspended from Exchange membership or registration shall also cease to have any privileges of membership or registration other than those under the Code of Procedure as set forth in Chapter 9 of the IEX Rules. In neither case shall such a Member or person associated with a Member be entitled to recover any admission fees, dues, assessments or other charges paid to the Exchange.

(c) A Member or person associated with a Member who has been suspended from Exchange membership or registration shall be considered a non-Member during the period of suspension for purposes of applying the provisions of these Rules, which govern dealings between both Members and non-Members. In this regard, such non-Member shall retain all of the obligations imposed on a Member or person associated with a Member by the Rules of the Exchange.

Rule 1.160. Definitions

Unless the context otherwise requires, for all purposes of these IEX Rules, terms used in IEX Rules shall have the meaning assigned in Article I of the Exchange's Operating Agreement or as set forth below:

(a) Act or Exchange Act: The terms "Act" or "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(b) Active Order: The term "active order" shall mean an order checking against the IEX Order Book for contra-side interest against which to execute and includes new incoming orders, orders posting to the Order Book after having been routed to away trading centers, and orders Rechecking the Order Book pursuant to IEX Rule 11.230(a)(4)(D). For each symbol, only one order may be Active at a given time.

(c) Adverse Action: The term "adverse action" shall mean any action taken by the Exchange that adversely affects the rights of any Member, applicant for membership, or any person associated with a Member (including the denial of membership and the barring of any person from becoming associated with a Member), and any prohibition or limitation by the Exchange imposed on any person with respect to access to services offered by the Exchange, or a Member thereof. This term does not include disciplinary actions for violations of any provision of the Act or the rules and regulations promulgated thereunder, or any provision of the Operating Agreement or IEX Rules or any interpretation thereof, or resolution or order of the Board or appropriate committee of the Board, which has been filed with the Commission pursuant to Section 19(b) of the Act and has become effective thereunder. Review of disciplinary actions is provided for in IEX Rule Series 9.500.

(d) Authorized Trader or AT: The terms "Authorized Trader" or "AT" shall mean a person who may submit orders (or who supervises a routing engine that may automatically submit orders) to the Exchange's trading facilities on behalf of the Member he or she is associated with or his or her Sponsored Participant.

(e) Board or Board of Directors: The terms "Board" and "Board of Directors" shall mean the Board of Directors of the Exchange.

(f) Broker: The term "broker" shall have the same meaning as in Section 3(a)(4) of the Act.

(g) Chief Regulatory Officer: The term "Chief Regulatory Office r" or "CRO" means the Chief Regulatory Officer of IEX, or his or her delegate.

(h) Code of Procedure: The term "Code of Procedure" means the procedural rules contained in Chapter 9 of the IEX Rules.

(i) Commission or SEC: The terms "Commission" or "SEC" mean the U.S. Securities and Exchange Commission, established pursuant to the Act.

(j) Customer: The term "customer" shall not include a broker or dealer.

(k) Dealer: The term "dealer" shall have the same meaning as in Section 3(a)(5) of the Act.

(l) Designated Self-Regulatory Organization: The term "designated self-regulatory organization" shall mean a self-regulatory organization, other than the Exchange, designated by the Commission under Section 17(d) of the Act to enforce compliance with IEX Rules by the Exchange's Members.

(m) Exchange: The term "Exchange" shall mean Investors' Exchange LLC, a registered national securities exchange.

(n) FINRA or NASD: The terms "FINRA" and "NASD" mean, collectively, the Financial Industry Regulatory Authority and its subsidiaries.

(o) IEX. The term "IEX" shall mean the Exchange.

(p) IEX Order Book or Order Book: The terms "IEX Order Book" and "Order Book" shall mean the System's electronic file of orders.

(q) IEX Regulation: The term "IEX Regulation" means the department of IEX or designated employees of IEX that supervise, administer, or perform the regulatory functions of IEX, including the administration of any regulatory services agreements with another self-regulatory organization to which IEX is a party.

(r) IEX Appeals Committee: The term "IEX Appeals Committee" means the committee authorized and directed to act for the Board of Directors in a manner consistent with the Rules and Operating Agreement of IEX with respect to (1) an

appeal or review of a disciplinary proceeding; (2) a statutory disqualification decision; (3) a review of a membership proceeding; (4) a review of an offer of settlement, a letter of acceptance, waiver, and consent, and a minor rule violation plan letter; (5) the exercise of exemptive authority; and (6) such other proceedings or actions authorized by the Rules of the Exchange.

(s) Member: The term "Member" shall mean any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a Member of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company, or other organization that is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange.

(t) Midpoint Price: The term "Midpoint Price" shall mean the midpoint of the NBBO.

(u) NBB, NBO, or NBBO: The term "NBB" shall mean the national best bid, the term "NBO" shall mean the national best offer, and the term "NBBO" shall mean the national best bid or offer, as set forth in Rule 600(b) of Regulation NMS under the Act, determined as set forth in IEX Rule 11.410(b).

(v) Official Closing Price: The term "Official Closing Price" of a security means the closing price of such security on the primary listing market in such security.

(w) Operating Agreement: The term "Operating Agreement" means the Operating Agreement of the Investors' Exchange LLC.

(x) Person: The term "person" shall include any natural person, partnership, corporation, association, or other legal entity.

(y) Person Associated with a Member or Associated Person of a Member: The terms "person associated with a Member" or "associated person of a Member" mean any partner, officer, director, or branch manager of a Member (or person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such Member, or any employee of such Member, except that any person associated with a Member whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of these Rules.

(z) Pre-Market Hours or Pre-Market Session: The term "Pre-Market Hours" or "Pre-Market Session" shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

(aa) Post-Market Hours or Post-Market Session: The term "Post-Market Hours" or "Post-Market Session" shall mean the time between 4:30 p.m. and 5:30 p.m. Eastern Time.

(bb) Protected Bid, Protected Offer, and Protected Quotation: The term "Protected Bid" or "Protected Offer" shall mean a bid or offer, respectively, in a security that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is calculated by IEX to be the best bid or best offer, respectively, of a national securities exchange or association. The term "Protected Quotation" shall mean a quotation that is a Protected Bid or Protected Offer.

(cc) Protected NBB, Protected NBO, and Protected NBBO: The term "Protected NBB" shall mean the national best bid that is a Protected Quotation, the term "Protected NBO" shall mean the national best offer that is a Protected Quotation, and the term "Protected NBBO" shall mean the national best bid or offer that is a Protected Quotation, determined as set forth in IEX Rule 11.410(b).

(dd) Quotations: The term "quotations" means displayed quotations.

(ee) Registered Broker or Dealer: The term "registered broker or dealer" means any registered broker or dealer, as defined in Section 3(a)(48) of the Act that is registered with the Commission under the Act.

(ff) Registered Clearing Agency: The term "registered clearing agency" means a clearing agency registered with the Commission pursuant to Section 17A of the Act that is deemed qualified by the Exchange.

(gg) Regular Market Hours or Regular Market Session: The term "Regular Market Hours" or "Regular Market Session" means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

(hh) Regulatory Contract: The term Regulatory Contract means the regulatory services agreement between IEX and FINRA pursuant to which FINRA has agreed to perform certain regulatory functions on behalf of IEX.

(ii) Resting Order: The term "resting order" shall mean any order with unexecuted, open share interest that has been posted to the IEX Order Book pursuant to IEX Rule 11.190.

(jj) Rules, IEX Rules, Exchange Rules, or Rules of the Exchange: Each of the terms "Rules," "IEX Rules," "Exchange Rules" or "Rules of the Exchange" means the numbered rules set forth in the IEX Rules beginning with IEX Rule Series 1.100, as adopted by the Board of Directors pursuant to the Operating Agreement of the Exchange, as hereafter amended or supplemented, and also includes the Operating Agreement and the Limited Liability Company Agreement of the Investors' Exchange LLC.

(kk) Sponsoring Member: The term "Sponsoring Member" shall mean a broker-dealer that has been issued a membership by the Exchange who has been designated by a Sponsored Participant to execute, clear, and settle transactions resulting from the System. The Sponsoring Member shall be either (i) a clearing firm with membership in a clearing agency registered with the Commission that maintains facilities through which transactions may be cleared or (ii) a correspondent firm with a clearing arrangement with any such clearing firm.

(ll) Sponsored Participant: The term "Sponsored Participant" shall mean a person which has entered into a sponsorship arrangement with a Sponsoring Member pursuant to IEX Rule 11.130.

(mm) Statutory Disqualification: The term "statutory disqualification" shall mean any statutory disqualification as defined in Section 3(a)(39) of the Act.

(nn) System: The term "System" shall mean the electronic communications and trading facility designated by the Board through which securities orders of Members are consolidated for ranking, execution, and, when applicable, routing away.

(oo) System Hours: The term "System Hours" means the time between the beginning of the Pre-Market Session and the end of the Post-Market Session, which is the time between 8:00 a.m. and 5:30 p.m. Eastern Time.

(pp) Top of Book: The term "Top of Book" shall mean the best-ranked order to buy (or sell) in the Order Book as ranked pursuant to IEX Rule 11.220.

(qq) User: The term "User" shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to IEX Rule 11.130.

(rr) UTP Security: The term "UTP Security" shall mean any security that is not listed on the Exchange but is traded on the Exchange pursuant to unlisted trading privileges.

Rule 1.170. Regulation of IEX and Its Members

(a) The Exchange and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions described in these Rules on behalf of the Exchange. The IEX Rules that refer to IEX Regulation, IEX Regulation staff, IEX staff, and IEX departments should be understood as also referring to FINRA staff and FINRA departments acting on behalf of the Exchange pursuant to the Regulatory Contract.

(b) Notwithstanding the fact that the Exchange has entered into the Regulatory Contract with FINRA to perform some of the Exchange's functions, the Exchange shall retain ultimate legal responsibility for, and control of, such functions.

In addition, the Exchange has incorporated by reference certain FINRA and NASD rules. Exchange members shall comply with these rules and interpretations as if such rules and interpretations were part of the Exchange's Rules.

Rule 1.180. Fingerprint-Based Background Checks of Employees and Independent Contractors

(a) In order to enhance the physical security of the facilities, systems, data, and information of IEX and its subsidiaries, affiliates and any facilities of the Exchange (collectively, the "IEX Entities"), it shall be the policy of the IEX Entities to conduct a fingerprint-based criminal records check of (i) all prospective and current employees of the IEX Entities, (ii) all independent contractors who have access to facilities of the IEX Entities for ten business days or longer, and (iii) all temporary employees who have access to facilities of the IEX Entities for ten business days or longer. The IEX Entities shall apply this policy in all circumstances where permitted by applicable law.

(b) The IEX Entities shall submit fingerprint cards obtained pursuant to the foregoing policy to the Attorney General of the United States or his or her designee for identification and processing. The IEX Entities shall at all times maintain the security of fingerprint cards, as well as any information received from the Attorney General of the United States or his or her designee in response to IEX's submission of fingerprint cards.

(c) The Exchange shall evaluate informatio n received from FINRA and otherwise administer this IEX Rule 1.180 in accordance with Exchange fingerprint procedures as in effect from time to time and the provisions of applicable law. Fingerprint-based background information, such as a felony or serious misdemeanor conviction, will be a factor in making employment decisions; engaging or retaining any temporary personnel, or independent contractors; or permitting any fingerprinted person access to Exchange facilities and records.

CHAPTER 2. MEMBERS OF THE EXCHANGE

Rule 2.110. Rights, Privileges and Duties of Members

(a) Unless specified otherwise in IEX Rules or the Operating Agreement of the Exchange, each Member shall have the rights, privileges, and duties of any other Member.

Rule 2.120. Obligations of Members and the Exchange

(a) In addition to all other obligations imposed by the Exchange in its Operating Agreement or IEX Rules, all Members, as a condition of effecting approved securities transactions on the Exchange's trading facilities, shall agree to be regulated by the Exchange and shall recognize that the Exchange is obligated to undertake to enforce compliance with the provisions of IEX Rules, its Operating Agreement, its interpretations and policies and with the provisions of the Act and regulations thereunder, and that, subject to orders and rules of the Commission, the Exchange is required to discipline Members and persons associated with Members for violations of the provisions of IEX Rules, its Operating Agreement, its interpretations and policies of the Exchange and the Act and regulations thereunder, by expulsion, suspension, limitation of activities, functions, and/or operations, fines, censure, being suspended or barred from being associated with a Member, or any other fitting sanction.

Rule 2.130. Member Eligibility

(a) Except as hereinafter provided, any registered broker or dealer that is a Member of another registered national securities exchange or association, or any person associated with such a registered broker or dealer, shall be eligible to be, and to remain, a Member of the Exchange.

Rule 2.140. Prohibited Conditions Relating to Expungement of Customer Dispute

No Member or associated person shall condition or seek to condition settlement of a dispute with a customer on, or to otherwise compensate the customer for, the customer's agreement to consent to, or not to oppose, the Member's or associated person's request to expunge such customer dispute information from the CRD system.

Rule 2.150. Application Process and Waive-In

For a temporary period beginning on the date the Exchange is approved by the SEC as a national securities exchange and ending 90 days after such date, an applicant that is: (i) a current Subscriber of IEX Services LLC, and (ii) an active member of FINRA or a registered national securities exchange, may apply to become a Member by submitting a waive-in application form as prescribed by the Exchange, including an agreement or agreements conforming with Rule 2.170(a)(1) through (a)(5). The Exchange may request additional documentation in addition to the waive-in application form in order to determine that a waive-in applicant meets the qualification standards set forth in IEX Rule 2.160.

Rule 2.160. Restrictions on Membership

(a) No person may become a Member or continue as a Member in any capacity on the Exchange where:

(1) such person is other than a natural person and is not a registered broker or dealer;

(2) such person is a natural person who is not either a registered broker or dealer or associated with a registered broker or dealer;

(3) such person is subject to a statutory disqualification, except that a person may become a Member or continue as a Member where, pursuant to Rules 19d-1, 19d-2, 19d-3 and 19h-1 of the Act, the Commission has issued an order providing relief from such a disqualification and permitting such a person to become a Member; or

(4) such person is not a Member of another registered national securities exchange or association.

(b) No natural person or registered broker or dealer shall be admitted as, or be entitled to continue as, a Member or an associated person of a Member, unless such natural person or broker or dealer meets the standards of training, experience and competence as the Exchange may prescribe. Each Member shall have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications and experience of any person applying for registration with the Exchange as an associated person of a Member.

(c) No registered broker or dealer shall be admitted as, or be entitled to continue as, a Member if such broker or dealer:

(1) fails to comply with either the financial responsibility requirements established by Rule 15c3-1 under the Act, or such other financial responsibility and operational capability requirements as may be established by IEX Rules;

(2) fails to adhere to IEX Rules relating to the maintenance of books and records or those rules of other self-regulatory organizations of which such broker or dealer is or was a Member;

(3) fails to demonstrate to the Exchange adequate systems capability, capacity, integrity, and security necessary to conduct business on the Exchange;

(4) is not a Member of a registered clearing agency, or does not clear transactions executed on the Exchange through another Member that is a Member of a registered clearing agency;

(5) is subject to any unsatisfied liens, judgments, or unsubordinated creditor claims of a material nature, which, in the absence of a reasonable explanation therefor, remain outstanding for more than six months;

(6) has been subject to any bankruptcy proceeding, receivership, or arrangement for the benefit of creditors within the past three years; or

(7) has engaged in an established pattern of failure to pay just debts or has defaulted, without a reasonable explanation, on an obligation to a self-regulatory organization, or any Member of a self-regulatory organization.

(d) No person shall be admitted as a Member or as an associated person of a Member where it appears that such person has engaged, and there is a reasonable likelihood that such person again may engage, in acts or practices inconsistent with just and equitable principles of trade.

(e) No person shall become an associated person of a Member unless such person agrees:

(1) to supply the Exchange with such information with respect to such person's relationships and dealings with the Member as may be specified by the Exchange;

(2) to permit examination of such person's books and records by the Exchange to verify the accuracy of any information so supplied; and

(3) to be regulated by the Exchange and to recognize that the Exchange is obligated to undertake to enforce compliance with the provisions of IEX Rules, the Operating Agreement, the interpretations and policies of the Exchange, and the provisions of the Act and the regulations thereunder.

(f) The Exchange may require the successful completion of a written proficiency examination to enable it to examine and verify that prospective Members and associated persons of Members have adequate training, experience, and competence to comply with IEX Rules and policies of the Exchange.

(g) If the Exchange requires the completion of such proficiency examinations, the Exchange may, in exceptional cases and where good cause is shown, pursuant to IEX Rule Series 9.600, waive such proficiency examinations as are required by the Exchange upon written request of the applicant and accept other standards as evidence of an applicant's qualifications. Advanced age, physical infirmity, or experience in fields ancillary to the securities business will not individually of themselves constitute sufficient grounds to waive a proficiency examination.

(h) The Exchange requires the General Securities Representative Examination ("Series 7") or an equivalent foreign examination module approved by the Exchange in qualifying persons seeking registration as General Securities Representatives, including as Authorized Traders, on behalf of Members. For those persons seeking limited registration as Proprietary Traders as described in paragraph (k) below, the Exchange requires the Proprietary Traders Qualification Examination ("Series 56"). The Exchange uses the Uniform Application for Securities Industry Registration or Transfer ("Form U4") as part of its procedure for registration and oversight of Member personnel.

(i) The Exchange requires each Member other than a sole proprietorship or a proprietary trading firm with 25 or fewer Authorized Traders ("Limited Size Proprietary Firm") to register at least two Principals with the Exchange. In addition, the Exchange may waive the two Principal requirement in situations that indicate conclusively that only one Principal associated with the Member should be required. A Limited Size Proprietary Firm is required to register at least one Principal with the Exchange. For purposes of this paragraph (i), a "Principal" shall be any individual responsible for supervising the activities of a Member's Authorized Traders and each person designated as a Chief Compliance Officer on Schedule A of Form BD. Each Principal is required to have successfully completed the General Securities Principal Examination ("Series 24"). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel.

The Exchange will accept the New York Stock Exchange Series 14 Compliance Official Examination in lieu of the Series 24 to satisfy the above requirement for any person designated as a Chief Compliance Officer. Individuals that supervise the activities of General Securities Representatives must have successfully completed the Series 7 or an equivalent foreign examination module as a prerequisite to the Series 24 or Series 14 and shall be referred to as General Securities Principals. The Exchange will permit the Series 56 as a prerequisite to the Series 24 or Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of proprietary traders, as

defined in paragraph (k) below. These limited representative Principals shall be referred to as Proprietary Trader Principals.

(j) Each Member subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the Member complies with applicable financial and operational requirements under Exchange Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination ("Series 27"). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel. A Financial/Operations Principal of a Member may be a full-time employee of the Member or may be a part-time employee or independent contractor of the Member. The Exchange may waive the requirements of this paragraph (j) if a Member has otherwise satisfied the financial and operational requirements of its designated examining authority.

(k) The Exchange permits the Series 56 examination for Proprietary Traders that engage solely in proprietary trading on the Exchange, subject to the following conditions. For the purposes of this IEX Rule, an Authorized Trader of a Member shall be considered a Proprietary Trader if:

(1) the Authorized Trader's activities in the investment banking or securities business are limited solely to proprietary trading;

(2) the Authorized Trader passes the Series 56; and

(3) the Authorized Trader is an associated person of a proprietary trading firm as defined in paragraph (l) below.

(l) For purposes of paragraphs (i) and (k) above, a "proprietary trading firm" shall mean a Member that trades its own capital, that does not have customers, and that is not a member of FINRA. In addition, to qualify for this definition, the funds used by a proprietary trading firm must be exclusively firm funds, all trading must be in the firm's accounts, and traders must be owners of, employees of, or contractors to the firm.

(m) Principals responsible for supervising the activities of General Securities Representatives must successfully complete the Series 7 or an equivalent foreign examination module in addition to the Series 24.

(n) The following sets forth the qualification requirements for each of the registration categories described above:

CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
General Securities Representative	Series 7	Equivalent foreign examination module (Series 17 or Series 37/38)
Proprietary Trader[1]	Series 56	N/A
General Securities Principal	Series 24	Compliance Official Examination (Series 14)[2]
Proprietary Trader Principal	Series 24	Compliance Official Examination (Series 14)[2]

CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
Financial/Operations Principal	Series 27	Other examination acceptable to designated examining authority[3]

[1] Proprietary traders that have completed the Series 7 should register as General Securities Representatives.

[2] The Exchange will only permit the Series 14 for those designated as Chief Compliance Officers on Schedule A of Form BD

[3] An examination acceptable to the Member's designated examining authority is only acceptable to the Exchange if the Exchange waives the requirements of paragraph (j) above.

(o) There shall be a $195 examination fee for each individual who chooses to complete the Series 56 examination, which fee shall be collected by the administrator of the examination.

(p) Continuing Education Requirements.

(1) No Member shall permit any Authorized Trader, Principal, or Financial/Operations Principal (each a "Registered Representative") to continue to, and no Registered Representative shall continue to, perform duties as a Registered Representative on behalf of such Member, unless such person has complied with the continuing education requirements in this IEX Rule. Each Registered Representative shall complete the Regulatory Element of the continuing education program on the occurrence of their second registration anniversary date and every three years thereafter or as otherwise prescribed by FINRA. On each occasion, the Regulatory Element must be completed within 120 days after the Registered Representative's registration anniversary date. A Registered Representative's registration date, also known as the "base date," shall establish the cycle of anniversary dates for purposes of this IEX Rule. The content of the Regulatory Element of the continuing education program shall be determined by FINRA for each registration category of Registered Representatives subject to the Rule. A Registered Representative qualified solely as a Proprietary Trader shall comply with the continuing education requirements appropriate for the Series 56. All other Registered Representatives shall comply with the continuing education requirements applicable to their particular registration.

(2) Unless otherwise determined by the Exchange, Registered Representatives who have not completed the Regulatory Element of the continuing education program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this IEX Rule shall cease all activities as a Registered Representative and is prohibited from functioning in any capacity requiring registration with the Exchange. A registration that is inactive for a period of two years will be administratively terminated. A person whose registration is so terminated may reactivate the registration only by reapplying for registration and satisfying applicable registration and qualification requirements of the Exchange's Rules. The Exchange may, upon application and a showing of good cause, allow for additional time for a Registered Representative to satisfy the program requirements.

(3) Unless otherwise determined by the Exchange, a Registered Representative will be required to retake the Regulatory Element and satisfy all of its requirements in the event such person:

(A) is subject to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act,

(B) is subject to suspension or to the imposition of a fine of $5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self- regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding, or

(C) is ordered as a sanction in a disciplinary action to retake the Regulatory Element by any securities governmental agency or securities self-regulatory organization.

(4) The retaking of the Regulatory Element shall commence with participation within 120 days of the Registered Representative becoming subject to the statutory disqualification, in the case of 3(A) above, or the disciplinary action becoming final, in the case of 3(B) or (C) above. The date of the disciplinary action shall be treated as such person's base date for purposes of this IEX Rule.

(5) Any Registered Representative who has terminated association with a registered broker or dealer and who has, within two years of the date of termination, become re-associated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element at such intervals that may apply (second anniversary and every three years thereafter) based on the initial registration anniversary date, rather than based on the date of re-association in a registered capacity.

The following sets forth the Regulatory Elements appropriate for each registration category:

CATEGORY OF REGISTRATION	REGULATORY ELEMENT
General Securities Representative	S101 General Program
Proprietary Trader	S501 Series 56 Proprietary Trader Continuing Education Program
General Securities Representative Principal	S201 Supervisor Program
Proprietary Trader Principal	S201 Supervisor Program
Financial/Operations Principal	S201 Supervisor Program

(6) There shall be a session fee of $60 for each individual who is required to complete the S501 Series 56 Proprietary Trader continuing education program pursuant to this IEX Rule, which fee shall be collected by the administrator of the continuing education program.

(q) Registration Procedures.

(1) Persons associated with a Member who seeks to register with the Exchange shall electronically file a Form U4 with the Central Registration Depository ("CRD") System by appropriately checking the Exchange as a requested registration on the electronic Form U4 filing. Any person required to complete Form U4 shall promptly electronically file any required amendments to Form U4 with the CRD System.

(r) Termination of Employment.

(1) The discharge or termination of employment of any person registered with the Exchange, together with the reasons therefor, shall be electronically reported to the CRD System, by an applicable Member immediately following the date of termination, but in no event later than thirty days following termination on a Uniform Termination Notice for Securities Industry Registration ("Form U5"). A copy of said termination notice shall be provided concurrently to the person whose association has been terminated.

(2) The applicable Member shall also electronically report to the CRD System, by means of an amendment to the Form U5 filed pursuant to paragraph (r)(1) above, in the event that the Member learns of facts or circumstances causing any information set forth in the notice to become inaccurate or incomplete. Such amendment shall be provided concurrently to the person whose association has been terminated no later than thirty days after the Member learns of the facts or circumstances giving rise to the amendment.

Rule 2.170. Application Procedures for Membership or to become an Associated Person of a Member

(a) Applications for membership shall be made to the Exchange and shall contain the following:

(1) An agreement to abide by, comply with, and adhere to the provisions of the Exchange's Certificate of Formation, its Operating Agreement, IEX Rules, the policies, interpretations and guidelines of the Exchange and all orders and decisions of the Exchange's Board and penalties imposed by the Board, and any duly authorized committee; provided, however, that such agreement shall not be construed as a waiver by the applicant of any right to appeal as provided in the Act.

(2) An agreement to pay such dues, assessments, and other charges in the manner and amount as shall from time to time be fixed by the Exchange.

(3) An agreement that the Exchange and its officers, employees, and Members of its Board and of any Board committee shall not be liable, except for willful malfeasance, to the applicant or to any other person, for any action taken by such director, officer or Member in his, her or its official capacity, or by any employee of the Exchange while acting within the scope of his or her employment, in connection with the administration or enforcement of any of the provisions of the Certificate of Formation, Operating Agreement, IEX Rules, policies, interpretations or guidelines of the Exchange or any penalty imposed by the Exchange, its Board, or any duly authorized Board committee.

(4) An agreement that, in cases where the applicant fails to prevail in a lawsuit or administrative adjudicative proceeding instituted by the applicant against the Exchange or any of its officers, directors, committee Members, employees, or agents, to pay the Exchange or any of its officers, directors, committee Members, employees, or agents, all reasonable expenses, including attorneys' fees, incurred by the Exchange in the defense of such proceeding, but only in the event that such expenses exceed Fifty Thousand Dollars ($50,000.00); provided, however, that such payment obligation shall not apply to internal disciplinary actions by the Exchange or administrative appeals.

(5) An agreement to maintain and make available to the Exchange, its authorized employees and its Board or Board committee Members such books and records as may be required to be maintained by the Commission or IEX Rules.

(6) Such other reasonable information with respect to the applicant as the Exchange may require.

(b) Applications for association with a Member shall be made on Form U4 and such other forms as the Exchange may prescribe, and shall be delivered to the Exchange in such manner as designated by the Exchange.

(c) If the Exchange is satisfied that the applicant is qualified for membership pursuant to the provisions of this Chapter, the Exchange shall promptly notify, in writing, the applicant of such determination, and the applicant shall be a Member.

(d) If the Exchange is not satisfied that the applicant is qualified for membership pursuant to the provisions of this Chapter, the Exchange shall promptly notify the applicant of the grounds for denying the applicant. The Board on its own motion may reverse the determination that the applicant is not qualified for membership. If a majority of the

Board specifically determines to reverse the determination to deny membership, the Board shall promptly notify Exchange staff, who shall promptly notify the applicant of the Board's decision and shall grant membership to the applicant. An applicant who has been denied membership may appeal such decision under IEX Rule Series 9.500, which govern adverse action.

(e) In considering applications for membership, the Exchange shall adhere to the following procedures:

(1) Where an application is granted, the Exchange shall promptly notify the applicant.

(2) The applicant shall be afforded an opportunity to be heard on the denial of membership pursuant to IEX Rules Series 9.500, which govern adverse action.

(f) Except where, pursuant to Section 17(d) of the Act, the Exchange has been relieved of its responsibility to review and act upon applications for associated persons of a Member, the procedure set forth in this Chapter shall govern the processing of any such applications.

(g) Each applicant shall file with the Exchange a list and descriptive identification of those persons associated with the applicant who are its executive officers, directors, principal shareholders, and general partners. Such persons shall file with the Exchange a Uniform Application for Securities Industry Registration or Transfer ("Form U4"). Applicants approved as Members of the Exchange must keep such information current with the Exchange.

Rule 2.180. Revocation of Membership or Association with a Member

Members or associated persons of Members may effect approved securities transactions on the Exchange's trading facilities only so long as they possess all the qualifications set forth in IEX Rules. Except where, pursuant to Section 17(d) of the Act, the Exchange has been relieved of its responsibility to monitor the continued qualifications of a Member or an associated person of a Member, when the Exchange has reason to believe that a Member or associated person of a Member fails to meet such qualifications, the Exchange may act to revoke such Member or associated person of a Member's membership or association with the Exchange. Such action shall be instituted under, and governed by, Chapter 8 of IEX Rules and may be appealed under IEX Rules Series 9.500, which govern adverse action. In connection with any revocation of rights as a Member or voluntary termination of rights as a Member pursuant to IEX Rule 2.190 below, the Member's membership in the Exchange shall be canceled.

Rule 2.190. Voluntary Termination of Rights as a Member

A Member may voluntarily terminate its rights as a Member only by a written resignation addressed to the Exchange's Secretary or another officer designated by the Exchange. Such resignation shall not take effect until 30 days after all of the following conditions have been satisfied: (i) receipt of such written resignation; (ii) all indebtedness due the Exchange shall have been paid in full; (iii) any Exchange investigation or disciplinary action brought against the Member has reached a final disposition; and (iv) any examination by the Exchange of such Member is completed and all exceptions noted have been reasonably resolved; provided, however, that the Board may declare a resignation effective at any earlier time.

Rule 2.200. Dues, Assessments and Other Charges

The Exchange may prescribe such reasonable assessments, dues, or other charges as it may, in its discretion, deem appropriate. Such assessments and charges shall be equitably allocated among Members, issuers, and other entities or persons using the Exchange's facilities.

Rule 2.210. No Affiliation between Exchange and any Member

(a) Without the prior approval of the Commission, the Exchange or any entity with which it is affiliated shall not, directly or indirectly, acquire, or maintain an ownership interest in a Member. In addition, without the prior approval of the Commission, a Member shall not be or become an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange. The term affiliate shall have the meaning specified in Rule 12b-2 under the Act. Nothing in this IEX Rule 2.210 shall prohibit a Member or its affiliate from acquiring or holding an equity interest in IEX Group, Inc. that is permitted by the ownership and voting limitations contained in the Certificate of Incorporation and Bylaws of IEX Group, Inc. In addition, nothing in this IEX Rule 2.210 shall prohibit a Member from being or becoming an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange, solely by reason of such Member or any officer, director, manager, managing member, partner, or affiliate of such Member being or becoming either (a) a Director (as such term is defined in the Operating Agreement of the Exchange) pursuant to the Operating Agreement of the Exchange, or (b) a Director serving on the Board of Directors of IEX Group, Inc.

Rule 2.220. IEX Services LLC as Outbound Router

(a) For so long as IEX Services LLC ("IEX Services") is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks, or other brokers or dealers (collectively, "away trading centers") (such function of IEX Services is referred to as the "Outbound Router"), each of the Exchange and IEX Services shall undertake as follows:

(1) The Exchange will regulate the Outbound Router function of IEX Services as a facility (as defined in Section 3(a)(2) of the Act), subject to Section 6 of the Act. In particular, and without limitation, under the Act, the Exchange will be responsible for filing with the Commission rule changes and fees relating to the IEX Services Outbound Router function and IEX Services will be subject to exchange non-discrimination requirements.

(2) FINRA will carry out oversight and enforcement responsibilities as the examining authority designated by the Commission pursuant to Rule 17d-1 of the Act with the responsibility for examining IEX Services for compliance with applicable financial responsibility rules.

(3) A Member's use of IEX Services to route orders to an away trading center will be optional. Any Member that does not want to use IEX Services may use other routers to route orders to away trading centers.

(4) IEX Services will not engage in any business other than (a) its Outbound Router function, (b) its usage of an error account in compliance with paragraph (a)(8) below, and (c) any other activities it may engage in as approved by the Commission.

(5) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including IEX Services), and any other entity, including any affiliate of IEX Services, and, if IEX Services or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of IEX Services or its affiliate that provides the other business activities and the routing services.

(6) The Exchange or IEX Services may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, IEX Services, or a routing destination. The Exchange or IEX Services shall provide notice of the cancellation to affected Members as soon as practicable.

(7) IEX Services currently routes to the following away trading centers:

BATS Exchange	(BATS)
BATS Y-Exchange	(BATY)

Chicago Stock Exchange	(XCHI)
EDGA Exchange	(EDGA)
EDGX Exchange	(EDGX)
NASDAQ Stock Exchange	(XNGS)
NASDAQ BX	(XBOS)
NASDAQ PSX	(XPHL)
National Stock Exchange	(XCIS)
New York Stock Exchange	(XNYS)
NYSE Arca	(ARCX)
NYSE MKT	(XASE)

(8) IEX Services shall maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under IEX Rule 11.270 and result from a technical or systems issue at IEX Services, the Exchange, a routing destination, or a non-affiliate third-party routing broker that affects one or more orders ("Error Positions").

(A) For purposes of this IEX Rule 2.220(a)(8), an Error Position shall not include any position that results from an order submitted by a Member to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in IEX Rule 2.220(a)(8)(C), IEX Services shall not (i) accept any positions in its error account from an account of a Member or (ii) permit any Member to transfer any positions from the Member's account to IEX Services' error account.

(C) If a technical or systems issue results in the Exchange not having valid clearing instructions for a Member to a trade, IEX Services may assume that Member's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(D) In connection with a particular technical or systems issue, IEX Services or the Exchange shall either (1) assign all resulting Error Positions to Members in accordance with subparagraph (i) below, or (2) have all resulting Error Positions liquidated in accordance with subparagraph (ii) below. Any determination to assign or liquidate Error Positions, as well as any resulting assignments, shall be made in a non-discriminatory fashion.

(i) IEX Services or the Exchange shall assign all Error Positions resulting from a particular technical or systems issue to the Members affected by that technical or systems issue if IEX Services or the Exchange:

(a) Determines that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Members affected by that technical or systems issue;

(b) Determines that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Members affected by that technical or systems issue; and

(c) Has not determined to cancel all orders affected by that technical or systems issue in accordance with paragraph (a)(6) above.

(ii) If IEX Services or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Members in accordance with this subparagraph (D), or if IEX Services or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with paragraph (a)(6) above, then IEX Services shall liquidate any applicable Error Positions as soon as practicable. In liquidating such Error Positions, IEX Services shall:

(a) Provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading; and

(b) Establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and IEX Services/the Exchange associated with the liquidation of the Error Positions.

(E) IEX Services and the Exchange shall make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Members or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer.

(b) The books, records, premises, officers, agents, directors, and employees of IEX Services as a facility of the Exchange shall be deemed to be the books, records, premises, officers, agents, directors, and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Act. The books and records of IEX Services as a facility of the Exchange shall be subject at all times to inspection and copying by the Exchange and the Commission. Nothing in these Rules shall preclude officers, agents, directors, or employees of the Exchange from also serving as officers, agents, directors, and employees of IEX Services.

Rule 2.230. Reserved.

Rule 2.240. Fidelity Bonds

(a) Each Member required to join the Securities Investor Protection Corporation who has employees and who is a Member in good standing of another self-regulatory organization shall follow the applicable fidelity bond rule of the self-regulatory organization to which it is designated by the Commission for financial responsibility pursuant to Section 17 of the Act and SEC Rule 17d-1 thereunder.

(b) A Member designated to the Exchange for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4360 as if such Rule were part of the Exchange's Rules.

(c) For purposes of this IEX Rule 2.240, references to a "member" shall be construed as references to a "Member."

(d) Pursuant to IEX Rule Series 9.600 of the IEX Rules, any Member subject to paragraph (d) of FINRA Rule 4360, through the application of paragraph (b) above, may apply to the Exchange for an exemption from such requirements. The exemption may be granted upon a showing of good cause, including a substantial change in the circumstances or nature of the Member's business that results in a lower net capital requirement. The Exchange may issue an exemption subject to any condition or limitation upon a Member's bonding coverage that is deemed necessary to protect the public and serve the purposes of this IEX Rule.

CHAPTER 3. RULES OF FAIR PRACTICE

Rule 3.110. Business Conduct of Members

(a) A Member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.

Rule 3.120. Violations Prohibited

(a) No Member shall engage in conduct in violation of the Act, the rules or regulations thereunder, the Operating Agreement, IEX Rules, or any policy or written interpretation of the Operating Agreement or IEX Rules by the Board or an appropriate Board committee. Every Member shall so supervise persons associated with the Member as to assure compliance with those requirements.

Rule 3.130. Use of Fraudulent Devices

(a) No Member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive, or other fraudulent device or contrivance.

Rule 3.140. False Statements

No Member or applicant for membership, or person associated with a Member or applicant for membership, shall make any false statements or misrepresentations in any application, report or other communication to the Exchange. No Member or person associated with a Member shall make any false statement or misrepresentation to any Exchange committee, officer, the Board or any designated self-regulatory organization in connection with any matter within the jurisdiction of the Exchange.

Rule 3.150. Know Your Customer

IEX Members shall comply with FINRA Rule 2090 as if such rule were part of the Exchange's Rules.

Rule 3.160. Fair Dealing with Customers

All Members have a fundamental responsibility for fair dealing with their customers. Members who handle customer orders on the Exchange shall establish and enforce objective standards to ensure queuing and executing of customer orders in a fair and equitable manner. Practices that do not represent fair dealing include, but are not limited to, the following:

(a) Recommending speculative securities to customers without knowledge of or an attempt to obtain information concerning the customers' other securities holdings, their financial situation, and other necessary data. This prohibition has particular application to high pressure telephonic sales campaigns;

(b) Excessive activity in customer accounts (churning or overtrading) in relation to the objectives and financial situation of the customer;

(c) Establishment of fictitious accounts in order to execute transactions which otherwise would be prohibited or which are contrary to the Member's policies;

(d) Causing the execution of transactions which are unauthorized by customers or the sending of confirmations in order to cause customers to accept transactions not actually agreed upon;

(e) Unauthorized use or borrowing of customer funds or securities; and

(f) Recommending the purchase of securities or the continuing purchase of securities in amounts which are inconsistent with the reasonable expectation that the customer has the financial ability to meet such a commitment.

Rule 3.170. Suitability

(a) IEX Members and associated persons of a Member shall comply with FINRA Rule 2111 as if such Rule were part of the Exchange's Rules.

(b) For purposes of this IEX Rule:

(1) References to FINRA Rules 2111 and 4512 shall be construed as references to IEX Rules 3.170 and 4.512, respectively;

(2) References to "FINRA's rules" shall be construed as references to "IEX Rules"; and

(3) References to FINRA Rule 2214 shall be disregarded, and no comparable IEX Rule shall apply to activities of IEX Members in connection with investment analysis tools.

Rule 3.180. The Prompt Receipt and Delivery of Securities

(a) Purchases. No Member may accept a customer's purchase or der for any security until it has first ascertained that the customer placing the order or its agent agrees to receive securities against payment in an amount equal to any execution, even though such an execution may represent the purchase of only a part of a larger order.

(b) Sales. No Member shall execute a sale order for any custom er or for its own account in any security unless such sale complies with the applicable provisions of the Act, including Regulation SHO.

Rule 3.190. Charges for Services Performed

Charges, if any, for services performed, including, but not limited to, miscellaneous services such as collection of monies due for principal, dividends, or interest; exchange or transfer of securities; appraisals, safe-keeping or custody of securities, and other services shall be reasonable and not unfairly discriminatory among customers.

Rule Series 3.200. Information and Disclosure Rules

Rule 3.200. Use of Information Obtained in Fiduciary Capacity

A Member who in the capacity of paying agent, transfer agent, trustee, or in any other similar capacity, has received information as to the ownership of securities, shall under no circumstances make use of such information for the purpose of soliciting purchases, sales or exchanges except at the request and on behalf of the issuer.

Rule 3.210. Publication of Transactions and Quotations

No Member shall publish or circulate, or cause to be published or circulated, any notice, circular, advertisement, newspaper article, investment service, or communication of any kind which purports to report any transaction as a purchase or sale of any security unless such Member believes that such transaction was a bona fide purchase or sale of such security; or which purports to quote the bid price or asked price for any security, unless such Member believes that such quotation represents a bona fide bid for, or offer of, such security.

Rule 3.220. Offers at Stated Prices

No Member shall make an offer to buy from or sell to any person any security at a stated price unless such Member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell.

Rule 3.230. Payments Involving Publications that Influence the Market Price of a Security

(a) Except as provided in paragraph (b), no Member shall directly or indirectly, give, permit to be given, or offer to give anything of value to any person, or intimidate any person for the purpose of influencing or rewarding the action of such person in connection with the publication or circulation in any electronic or other public media, including any investment service or similar publication, Web site, newspaper, magazine or other periodical, radio, or television program of any matter which has, or is intended to have, an effect upon the market price of any security;

(b) The prohibitions in paragraph (a) shall not apply to compensation paid to a person in connection with the publication or circulation of:

(1) a communication that is clearly distinguishable as paid advertising;

(2) a communication that discloses the receipt of compensation and the amount thereof in accordance with Section 17(b) of the Securities Act; or

(3) a research report, as that term is defined in NASD Rule 2711.

FINRA is in the process of consolidating certain NASD rules into a new FINRA rulebook. If the provisions of NASD Rule 2711 are transferred into the FINRA rulebook, then IEX Rule 3.230 shall be construed to require Exchange members to comply with the FINRA rule corresponding to NASD Rule 2711 (regardless of whether such rule is renumbered or amended) as if such rule were part of the Exchange's Rules.

Rule 3.240. Customer Confirmations

A Member, at or before the completion of each transaction with a customer, shall give or send to such customer such written notification or confirmation of the transaction as is required by Commission Rule 10b-10.

Rule 3.250. Disclosure of Control Relationship with Issuer

A Member controlled by, controlling, or under common control with, the issuer of any security, shall, before entering into any contract with or for a customer for the purchase or sale of such security, disclose to such customer the existence of such control, and if such disclosure is not made in writing, it shall be supplemented by the giving or sending of written disclosure at or before the completion of the transaction.

Rule 3.260. Discretionary Accounts

(a) Excessive Transactions

No Member shall effect with or for any customer's account in respect to which such Member or its agent or employee is vested with any discretionary power any transactions of purchase or sale which are excessive in size or frequency in view of the financial resources and character of such account.

(b) Authorization and Acceptance of Account

No Member or Registered Representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization to a stated individual or individuals and the account has been accepted by the Member, as evidenced in writing by the Member or the partner, officer or manager, duly designated by the Member, in accordance with IEX Rule 5.110.

(c) Approval and Review of Transactions

The Member or the person duly designated shall approve promptly in writing each discretionary order entered and shall review all discretionary accounts at frequent intervals in order to detect and prevent transactions which are excessive in size or frequency in view of the financial resources and character of the account.

(d) Exceptions

This IEX Rule shall not apply to discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite amount of a specified security shall be executed, except that the authority to exercise time and price discretion will be considered to be in effect only until the end of the business day on which the customer granted such discretion, absent a specific, written contrary indication signed and dated by the customer. This limitation shall not apply to time and price discretion exercised in an institutional account, as defined in IEX Rule 5.110 pursuant to valid Good-Till-Canceled instructions issued on a "not-held" basis. Any exercise of time and price discretion must be reflected on the order ticket.

Rule 3.270. Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts

(a) Improper Use

No Member or person associated with a Member shall make improper use of a customer's securities or funds.

(b) Prohibition Against Guarantees

No Member or person associated with a Member shall guarantee a customer against loss in connection with any securities transaction or in any securities account of such customer.

(c) Sharing in Accounts; Extent Permissible

(1) (A) Except as provided in paragraph (c)(2), no Member or person associated with a Member shall share directly or indirectly in the profits or losses in any account of a customer carried by the Member or any other Member; provided, however, that a Member or person associated with a Member may share in the profits or losses in such an account if:

(i) such person associated with a Member obtains prior written authorization from the Member employing the associated person;

(ii) such Member or person associated with a Member obtains prior written authorization from the customer; and

(iii) such Member or person associated with a Member shares in the profits or losses in any account of such customer only in direct proportion to the financial contributions made to such account by either the Member or person associated with a Member.

(B) Exempt from the direct proportionate share limitation of paragraph (c)(1)(A)(iii) are accounts of the immediate family of such Member or person associated with a Member. For purposes of this IEX Rule, the term "immediate family" shall include parents, mother-in-law or father-in-law, husband or wife, children. or any relative to whose support the Member or person associated with a Member otherwise contributes directly or indirectly.

(2) Notwithstanding the prohibition of paragraph (c)(1), a Member or person associated with a Member that is acting as an investment adviser may receive compensation based on a share in profits or gains in an account if:

(A) such person associated with a Member seeking such compensation obtains prior written authorization from the Member employing the associated person;

(B) such Member or person associated with a Member seeking such compensation obtains prior written authorization from the customer; and

(C) all of the conditions in Rule 205-3 of the Investment Advisers Act (as the same may be amended from time to time) are satisfied.

Rule 3.280. Communications with Customers and the Public

Exchange Members and persons associated with a Member shall comply with FINRA Rule 2210 (except FINRA Rule 2210(c)) as if such FINRA Rule were part of the Exchange's Rule. The Exchange and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Exchange Members are complying with this IEX Rule 3.280 by complying with FINRA Rule 2210 as written. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under this IEX Rule 3.280 are being performed by FINRA on the Exchange's behalf.

Rule 3.290. Customer Disclosures

No member may accept an order from a customer for execution in the Pre-Market Session or Post-Market Session without disclosing to such customer that extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads, and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for Derivative Securities Products.

The disclosures required pursuant to this IEX Rule may take the following form or such other form as provides substantially similar information:

(a) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

(b) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

(c) Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

(d) Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

(e) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of

regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(f) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

(g) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended system hours. Since the underlying index value and IIV are not calculated or widely disseminated during the Pre-Market Session and Post-Market Session an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

Rule 3.291. Influencing or Rewarding Employees of Others; Gratuities

(a) No Member or person associated with a Member shall, directly or indirectly, give or permit to be given anything of value, including gratuities, in excess of one hundred dollars per individual per year to any person, principal, proprietor, employee, agent, or representative of another person where such payment or gratuity is in relation to the business of the employer of the recipient of the payment or gratuity. A gift of any kind is considered a gratuity.

(b) This IEX Rule shall not apply to contracts of employment with or to compensation for services rendered by persons enumerated in paragraph (a) provided that there is in existence prior to the time of employment or before the services are rendered, a written agreement between the Member and the person who is to be employed to perform such services. Such agreement shall include the nature of the proposed employment, the amount of the proposed compensation, and the written consent of such person's employer or principal.

(c) A separate record of all payments or gratuities in any amount known to the Member, the employment agreement referred to in paragraph (b) and any employment compensation paid as a result thereof shall be retained by the Member for the period specified by Rule 17a-4 of the Act.

Rule 3.292. Telemarketing

IEX members and persons associated with a member shall comply with FINRA Rule 3230 as if such Rule were part of IEX Rules.

CHAPTER 4. FINANCIAL AND OPERATIONAL RULES

Rule Series 4.100. FINANCIAL CONDITION

Rule 4.110. Capital Compliance

(a) A member designated to IEX for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4110 as if such Rule were part of the Exchange's Rules.

(b) For purposes of this IEX Rule, references to FINRA Rule 9557 shall be construed as references to IEX Rule 9.557. References to FINRA shall be construed as references to IEX. References to FINRA's Executive Vice President charged with oversight for financial responsibility shall be construed as a reference to the IEX CRO.

Rule 4.120. Regulatory Notification and Business Curtailment

(a) A Member designated to IEX for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4120 as if such Rule were part of the Exchange's Rules.

(b) For purposes of this IEX Rule, references to FINRA Rule 9557 shall be construed as references to IEX Rule 9.557. References to FINRA Rule 4210 shall be construed as references to IEX Rule 4.210. References to FINRA shall be construed as references to IEX.

Rule 4.130. Reserved.

Rule 4.140. Audit

(a) A Member designated to IEX for oversight pursuant to SEC Rule 17d-1 shall comply with FINRA Rule 4140 as if such Rule were part of IEX Rules.

(b) For purposes of this IEX Rule, references to FINRA shall be construed as references to IEX. References to FINRA's Executive Vice President charged with oversight for financial responsibility shall be construed as a reference to the IEX CRO.

Rule Series 4.200. MARGIN

Rule 4.210. Prohibitions and Exemptions

(a) A Member shall not effect a securities transaction through Exchange facilities in a manner contrary to the regulations of the Board of Governors of the Federal Reserve System.

(b) The margin which must be maintained in margin accounts of customers shall be as follows:

(1) 25% of the current market value of all securities "long" in the account;

(2) $2.50 per share or 100% of the current market value, whichever amount is greater, of each stock "short" in the account selling at less than $5.00 per share;

(3) $5.00 per share or 30% of the current market value, whichever amount is greater, of each stock "short" in the account selling at $5.00 per share or above; and

(4) 5% of the principal amount or 30% of the current market value, whichever amount is greater, of each bond "short" in the account.

Rule 4.220. Day Trading Margin

(a) The term "day trading" means the purchasing and selling of the same security on the same day. A "day trader" is any customer whose trading shows a pattern of day trading.

(b) Whenever day trading occurs in a customer's margin account the margin to be maintained shall be the margin on the "long" or "short" transaction, whichever occurred first, as required pursuant to IEX Rule 4.210(b). When day trading occurs in the account of a day trader, the margin to be maintained shall be the margin on the "long" or "short" transaction, whichever occurred first, as required for initial margin by Regulation T of the Board of Governors of the Federal Reserve System, or as required pursuant to IEX Rule 4.210(b), whichever amount is greater.

(c) No Member shall permit a public customer to make a practice, directly or indirectly, of effecting transactions in a cash account where the cost of securities purchased is met by the sale of the same securities. No Member shall permit a public customer to make a practice of selling securities in a cash account which are to be received against payment from another registered broker or dealer where such securities were purchased and are not yet paid for.

Rule Series 4.300. RESERVED.

Rule Series 4.400. RESERVED.

Rule Series 4.500. BOOKS, RECORDS AND REPORTS

Rule 4.511. General Requirements

IEX Members and persons associated with a member shall comply with FINRA Rule 4511 as if such rule were part of the Exchange's Rules. For purposes of this IEX Rule, references to "FINRA rules" shall be construed as references to "IEX rules" and references to "FINRA books and records" shall be construed as references to "IEX books and records."

Rule 4.512. Customer Account Information

(a) IEX Members and persons associated with a member shall comply with FINRA Rule 4512 as if such rule were part of IEX's rules.

(b) For purposes of this IEX Rule:

(1) References to NASD Rule 2510 (or any successor FINRA rule) shall be construed as references to IEX Rule 3.260;

(2) References to Rules 2070, 2090, and 4512 shall be construed as references to IEX Rules 6.180, 3.150, and 4.512;

(3) References to "a prior FINRA rule" shall be construed as references to "a FINRA rule in effect prior to the effectiveness of FINRA Rule 4512";

(4) IEX and FINRA are parties to a Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of IEX. Therefore, IEX Members are complying with IEX Rule 4.512 by complying with FINRA Rule 4512 as written, including, for example, providing information required by FINRA staff. In addition, functions performed by FINRA, FINRA departments and FINRA staff under IEX Rule 4.512 are being performed by FINRA on behalf of IEX.

Rule 4.513. Record of Written Customer Complaints

IEX Members and persons associated with a Member shall comply with FINRA Rule 4513 as if such rule were part of IEX's rules.

Rule 4.540. Furnishing of Records

Every Member shall furnish to the Exchange, upon request and in a time and manner required by the Exchange, current copies of any financial information filed with the Commission, as well as any records, files, or financial information pertaining to transactions executed on or through the Exchange or transactions in the same security executed on venues other than the Exchange or derivatives of such securities. Further, the Exchange shall be allowed access, at any time, to the books and records of the Member in order to obtain or verify information related to transactions executed on or through the Exchange or activities relating to the Exchange.

(a) Member Response Time to Exchange Requests

Consistent with the responsibility of the Exchange and the Commission to provide for timely regulatory investigations, the Exchange has adopted the following general time parameters within which Members are required to respond to Exchange requests for trading data:

(1) 1st Request: 10 business days

(2) 2nd Request: 5 business days

(3) 3rd Request: 5 business days

The third request letter will be sent to the Member's compliance officer and/or senior officer. Notwithstanding the parameters listed above, the Exchange reserves the right, in its sole discretion, to require information to be provided more quickly than described above.

(b) Regulatory Data Submission Requirement

Members shall submit to the Exchange such Exchange-related order, market and transaction data as the Exchange by Information Circular may specify, in such form and on such schedule as the Exchange may require.

Rule 4.550. Disclosure of Financial Condition

(a) A Member shall make available to inspection by any bona fide regular customer, upon request, the information relative to such Member's financial condition as disclosed in its most recent balance sheet prepared either in accordance with such Member's usual practice or as required by any state or federal securities laws, or any rule or regulation thereunder. In lieu of making such balance sheet available to inspection, a Member may deliver the balance sheet to the requesting bona fide regular customer in paper or electronic form; provided that, with respect to electronic delivery, the customer must consent to receive the balance sheet in electronic form.

(b) Any Member who is a party to an open transaction or who has on deposit cash or securities of another Member shall deliver upon written request of the other Member, in paper or electronic form, a statement of its financial condition as disclosed in its most recent balance sheet prepared either in accordance with such Member's usual practice or as required by any state or federal securities laws, or any rule or regulation thereunder.

(c) As used in paragraph (a) of this IEX Rule 4.550, the term "customer" means any person who, in the regular course of such Member's business, has cash or securities in the possession of such Member.

CHAPTER 5. SUPERVISION

Rule 5.110. Supervision

(a) Supervisory System

Each Member shall establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable IEX Rules. Final responsibility for proper supervision shall rest with the Member. A Member's supervisory system shall provide, at a minimum, for the following:

(1) The establishment and maintenance of written procedures as required by this IEX Rule 5.110.

(2) The designation, where applicable, of an appropriately registered principal(s) with authority to carry out the supervisory responsibilities of the Member for each type of business in which it engages for which registration as a broker-dealer is required.

(3) The registration and designation as a branch office or an office of supervisory jurisdiction (OSJ) of each location, including the main office, that meets the definitions contained in paragraph (e) of this IEX Rule 5.110.

(4) The designation of one or more appropriately registered principals in each OSJ and one or more appropriately registered representatives or principals in each non-OSJ branch office with authority to carry out the supervisory responsibilities assigned to that office by the Member.

(5) The assignment of each registered person to an appropriately Registered Representative(s) or principal(s) who shall be responsible for supervising that person's activities.

(6) The use of reasonable efforts to determine that all supervisory personnel are qualified, either by virtue of experience or training, to carry out their assigned responsibilities.

(7) The participation of each Registered Representative and Registered Principal, either individually or collectively, no less than annually, in an interview or meeting conducted by persons designated by the Member at which compliance matters relevant to the activities of the representative(s) and principal(s) are discussed. Such interview or meeting may occur in conjunction with the discussion of other matters and may be conducted at a central or regional location or at the representative's(') or principal's(') place of business.

(b) Written Procedures

(1) General Requirements

Each Member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable IEX Rules.

(2) Review of Member's Investment Banking and Securities Business

The supervisory procedures required by this paragraph (b) shall include procedures for the review by a Registered Principal, evidenced in writing, of all transactions relating to the investment banking or securities business of the Member.

(3) Reserved

(4) Review of Correspondence and Internal Communications

The supervisory procedures required by this paragraph (b) shall include procedures for the review of incoming and outgoing written (including electronic) correspondence and internal communications relating to the Member's investment banking or securities business. The supervisory procedures must be appropriate for the Member's business, size, structure, and customers. The supervisory procedures must require the Member's review of:

(A) incoming and outgoing written (including electronic) correspondence to properly identify and handle in accordance with firm procedures, customer complaints, instructions, funds and securities, and communications that are of a subject matter that require review under IEX Rules and federal securities laws.

(B) internal communications to properly identify those communications that are of a subject matter that require review under IEX Rules and federal securities laws.

Reviews of correspondence and internal communications must be conducted by a Registered Principal and must be evidenced in writing, either electronically or on paper.

(5) Review of Customer Complaints

The supervisory procedures required by this paragraph (b) shall include procedures to capture, acknowledge, and respond to all written (including electronic) customer complaints.

(6) Documentation and Supervision of Supervisory Personnel

The supervisory procedures required by this paragraph (b) shall set forth the supervisory system established by the Member pursuant to paragraph (a) above, and shall include:

(A) the titles, registration status, and locations of the required supervisory personnel and the responsibilities of each supervisory person as these relate to the types of business engaged in, applicable securities laws and regulations, and IEX Rules.

(B) a record, preserved by the Member for a period of not less than three years, the first two years in an easily accessible place, of the names of all persons who are designated as supervisory personnel and the dates for which such designation is or was effective.

(C) procedures prohibiting associated persons who perform a supervisory function from:

(i) supervising their own activities; and

(ii) reporting to, or having their compensation or continued employment determined by, a person or persons they are supervising.

(a) If a Member determines, with respect to any of its supervisory personnel, that compliance with subparagraph (i) or (ii) above is not possible because of the Member's size or a supervisory personnel's position within the firm, the Member must document:

(1) the factors the Member used to reach such determination; and

(2) how the supervisory arrangement with respect to such supervisory personnel otherwise complies with paragraph (a) of this IEX Rule 5.110.

(D) procedures reasonably designed to prevent the supervisory system required pursuant to paragraph (a) of this IEX Rule 5.110 from being compromised due to the conflicts of interest that may be present with respect to the associated person being supervised, including the position of such person, the revenue such person generates for the firm, or any compensation that the associated person conducting the supervision may derive from the associated person being supervised.

(7) Maintenance of Written Supervisory Procedures

A copy of a Member's written supervisory procedures, or the relevant portions thereof, shall be kept and maintained in each OSJ and at each location where supervisory activities are conducted on behalf of the Member. Each Member shall promptly amend its written supervisory procedures to reflect changes in applicable securities laws or regulations, including IEX Rules, and as changes occur in its supervisory system. Each Member is responsible for promptly communicating its written supervisory procedures and amendments to all associated persons to whom such written supervisory procedures and amendments are relevant based on their activities and responsibilities.

(c) Internal Inspections

(1) Each Member shall conduct a review, at least annually (on a calendar-year basis), of the businesses in which it engages. The review shall be reasonably designed to assist the Member in detecting and preventing violations of, and achieving compliance with, applicable securities laws and regulations, and with applicable IEX Rules. Each Member shall review the activities of each office, which shall include the periodic examination of customer

accounts to detect and prevent irregularities or abuses. Each Member shall also retain a written record of the date upon which each review and inspection is conducted.

(A) Each Member shall inspect at least annually (on a calendar-year basis) every OSJ and any branch office that supervises one or more non-branch locations.

(B) Each Member shall inspect at least every three years every branch office that does not supervise one or more non-branch locations. In establishing how often to inspect each non-supervisory branch office, the Member shall consider whether the nature and complexity of the securities activities for which the location is responsible, the volume of business done at the location, and the number of associated persons assigned to the location require the non-supervisory branch office to be inspected more frequently than every three years. If a Member establishes a more frequent inspection cycle, the Member must ensure that at least every three years, the inspection requirements enumerated in paragraph (c)(2) have been met. The Member's written supervisory and inspection procedures shall set forth the non-supervisory branch office examination cycle, an explanation of the factors the Member used in determining the frequency of the examinations in the cycle, and the manner in which a Member will comply with paragraph (c)(2) if using more frequent inspections than every three years.

(C) Each Member shall inspect on a regular periodic schedule every non-branch location. In establishing such schedule, the Member shall consider the nature and complexity of the securities activities for which the location is responsible and the nature and extent of contact with customers. The Member's written supervisory and inspection procedures shall set forth the schedule and an explanation regarding how the Member determined the frequency of the examination.

(2) An inspection and review by a Member pursuant to paragraph (c)(1) must be reduced to a written report and kept on file by the Member for a minimum of three years, unless the inspection is being conducted pursuant to paragraph (c)(1)(C) and the regular periodic schedule is longer than a three-year cycle, in which case the report must be kept on file at least until the next inspection report has been written.

(A) If applicable to the location being inspected, that location's written inspection report must include, without limitation, the testing and verification of the Member's policies and procedures, including supervisory policies and procedures in the following areas:

(i) safeguarding of customer funds and securities;

(ii) maintaining books and records;

(iii) supervision of supervisory personnel;

(iv) transmittals of funds (e.g., wires or checks, etc.) or securities from customers to third party accounts; from customer accounts to outside entities (e.g., banks, investment companies, etc.); from customer accounts to locations other than a customer's primary residence (e.g., post office box, "in care of" accounts, alternate address, etc.); and between customers and registered representatives, including the hand-delivery of checks; and

(v) changes of customer account information, including address and investment objectives changes and validation of such changes.

(B) The policies and procedures required by paragraph (c)(2)(A)(iv) must include a means or method of customer confirmation, notification, or follow-up that can be documented. Members may use reasonable risk-based criteria to determine the authenticity of the transmittal instructions.

(C) The policies and procedures required by paragraph (c)(2)(A)(v) must include, for each change processed, a means or method of customer confirmation, notification, or follow-up that can be documented and that complies with Rules 17a-3(a)(17)(i)(B)(2) and 17a-3(a)(17)(i)(B)(3) of the Act.

(D) If a Member does not engage in all of the activities enumerated in paragraphs (c)(2)(A)(i) through (v) at the location being inspected, the Member must identify those activities in the Member's written supervisory procedures or the location's written inspection report and document in the Member's written supervisory procedures or the location's written inspection report that supervisory policies and procedures for such activities must be in place at that location before the Member can engage in them.

(3) For each inspection conducted pursuant to paragraph (c), a Member must:

(A) have procedures reasonably designed to prevent the effectiveness of the inspections required pursuant to paragraph (c)(1) of this IEX Rule 5.110 from being compromised due to the conflicts of interest that may be present with respect to the location being inspected, including but not limited to, economic, commercial, or financial interests in the associated persons and businesses being inspected; and

(B) ensure that the person conducting an inspection pursuant to paragraph (c)(1) is not an associated person assigned to the location or is not directly or indirectly supervised by, or otherwise reporting to, an associated person assigned to the location.

(C) If a Member determines that compliance with paragraph (c)(3)(B) is not possible either because of a Member's size or its business model, the Member must document in the inspection report both the factors the Member used to make its determination and how the inspection otherwise complies with paragraph (c)(1).

(d) Transaction Review and Investigation

(1) Each Member shall include in its supervisory procedures a process for the review of securities transactions that are reasonably designed to identify trades that may violate the provisions of the Exchange Act, the rules thereunder, or IEX Rules prohibiting insider trading and manipulative and deceptive device that are effected for the:

(A) accounts of the Member;

(B) accounts introduced or carried by the Member in which a person associated with the Member has a beneficial interest or the authority to make investment decisions;

(C) accounts of a person associated with the Member that are disclosed to the Member pursuant to IEX Rule 5.170, as applicable; and

(D) covered accounts.

(2) Each Member must conduct promptly an internal investigation into any such trade to determine whether a violation of those laws or rules has occurred.

(3) A Member engaging in investment banking services must file with IEX, written reports, signed by a senior officer of the Member, at such times and, without limitation, including such content, as follows:

(A) within ten business days of the end of each calendar quarter, a written report describing each internal investigation initiated in the previous calendar quarter pursuant to paragraph (d)(2), including the identity of the Member, the date each internal investigation commenced, the status of each open internal investigation, the resolution of any internal investigation reached during the previous calendar quarter, and, with respect to each internal investigation, the identity of the security, trades, accounts, associated persons of the Member, or associated person of the Member's family members holding a covered account,

under review, and that includes a copy of the Member's policies and procedures required by paragraph (d)(1).

(B) within five business days of completion of an internal investigation pursuant to paragraph (d)(2) in which it was determined that a violation of the provisions of the Exchange Act, the rules thereunder, or IEX Rules prohibiting insider trading and manipulative and deceptive devices had occurred, a written report detailing the completion of the investigation, including the results of the investigation, any internal disciplinary action taken, and any referral of the matter to another self-regulatory organization, the SEC, or any other federal, state, or international regulatory authority.

(4) Definitions

For purposes of this IEX Rule:

(A) The term "covered account" shall include any account introduced or carried by the Member that is held by:

(i) the spouse of a person associated with the Member;

(ii) a child of the person associated with the Member or such person's spouse, provided that the child resides in the same household as or is financially dependent upon the person associated with the Member;

(iii) any other related individual over whose account the person associated with the Member has control; or

(iv) any other individual over whose account the associated person of the Member has control and to whose financial support such person materially contributes.

(B) The term "investment banking services" shall include, without limitation, acting as an underwriter, participating in a selling group in an offering for the issuer, or otherwise acting in furtherance of a public offering of the issuer; acting as a financial adviser in a merger or acquisition; providing venture capital or equity lines of credit or serving as placement agent for the issuer or otherwise acting in furtherance of a private offering of the issuer.

(e) Responsibility of Member to Investigate Applicants for Registration

Each member shall ascertain by investigation the good character, business reputation, qualifications and experience of an applicant before the member applies to register that applicant with IEX and before making a representation to that effect on the application for registration.

If the applicant previously has been registered with IEX or another self-regulatory organization, the member shall review a copy of the applicant's most recent Form U5, including any amendments thereto, within 60 days of the filing date of an application for registration, or demonstrate to IEX that it has made reasonable efforts to do so. In conducting its review of the Form U5, the member shall take such action as may be deemed appropriate.

The member shall also review an applicant's employment experience to determine if the applicant has been recently employed by a Futures Commission Merchant or an Introducing Broker that is notice-registered with the SEC pursuant to Section 15(b)(11) of the Exchange Act. In such a case, the member shall also review a copy of the applicant's most recent CFTC Form 8-T, including any amendments thereto, within 60 days of the filing date of an application for registration, or demonstrate to IEX that it has made reasonable efforts to do so. In conducting its review of a Form 8-T, the member shall take such action as may be deemed appropriate.

In addition, each member shall establish and implement written procedures reasonably designed to verify the accuracy and completeness of the information contained in an applicant's Form U4 no later than 30 calendar days

after the form is filed with IEX. Such procedures shall, at a minimum, provide for a search of reasonably available public records to be conducted by the member, or a third-party service provider, to verify the accuracy and completeness of the information contained in the applicant's Form U4.

(f) Definitions

(1) "Office of Supervisory Jurisdiction" or "OSJ" means any office of a Member at which any one or more of the following functions take place:

(A) order execution or market making;

(B) structuring of public offerings or private placements;

(C) maintaining custody of customers' funds or securities;

(D) final acceptance (approval) of new accounts on behalf of the Member;

(E) review and endorsement of customer orders, pursuant to paragraph (b)(2) above;

(F) final approval of retail communications for use by persons associated with the Member, pursuant to IEX Rule 3.280, except for an office that solely conducts final approval of research reports; or

(G) responsibility for supervising the activities of persons associated with the Member at one or more other branch offices of the Member.

(2) A "branch office" is any location where one or more associated persons of a Member regularly conducts the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security, or is held out as such, excluding:

(A) Any location that is established solely for customer service or back office type functions where no sales activities are conducted and that is not held out to the public as a branch office;

(B) Any location that is the associated person's primary residence; provided that

(i) Only one associated person, or multiple associated persons who reside at that location and are members of the same immediate family, conduct business at the location;

(ii) The location is not held out to the public as an office and the associated person does not meet with customers at the location;

(iii) Neither customer funds nor securities are handled at that location;

(iv) The associated person is assigned to a designated branch office, and such designated branch office is reflected on all business cards, stationery, retail communications and other communications to the public by such associated person;

(v) The associated person's correspondence and communications with the public are subject to the firm's supervision in accordance with this IEX Rule 5.110;

(vi) Electronic communications (e.g., e-mail) are made through the Member's electronic system;

(vii) All orders are entered through the designated branch office or an electronic system established by the Member that is reviewable at the branch office;

(viii) Written supervisory procedures pertaining to supervision of sales activities conducted at the residence are maintained by the Member; and

(ix) A list of the residence locations is maintained by the Member;

(C) Any location, other than a primary residence, that is used for securities business for less than 30 business days in any one calendar year, provided the Member complies with the provisions of subparagraphs (2)(B)(i) through (ix) above;

(D) Any office of convenience, where associated persons occasionally and exclusively by appointment meet with customers, which is not held out to the public as an office; *

(E) Any location that is used primarily to engage in non-securities activities and from which the associated person(s) effects no more than 25 securities transactions in any one calendar year; provided that any retail communication identifying such location also sets forth the address and telephone number of the location from which the associated person(s) conducting business at the non-branch locations are directly supervised;

(F) The Floor of a registered national securities exchange where a Member conducts a direct access business with public customers; or

(G) A temporary location established in response to the implementation of a business continuity plan.

(4) Notwithstanding the exclusions in subparagraph (2), any location that is responsible for supervising the activities of persons associated with the Member at one or more non-branch locations of the Member is considered to be a branch office.

(5) The term "business day" as used in paragraph (f)(2) of this IEX Rule 5.110 shall not include any partial business day provided that the associated person spends at least four hours on such business day at his or her designated branch office during the hours that such office is normally open for business.

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.01 Registration of Main Office.

A Member's main office location is required to be registered and designated as a branch office or OSJ if it meets the definitions of a "branch office" or "office of supervisory jurisdiction" as set forth in IEX Rule 5.110(f). In general, the nature of activities conducted at a main office will satisfy the requirements of such terms.

.02 Designation of Additional OSJs.

In addition to the locations that meet the definition of OSJ in IEX Rule 5.110(f), each Member shall also register and designate other offices as OSJs as is necessary to supervise its associated persons in accordance with the standards set forth in IEX Rule 5.110. In making a determination as to whether to designate a location as an OSJ, the Member should consider the following factors:

(a) whether registered persons at the location engage in retail sales or other activities involving regular contact with public customers;

(b) whether a substantial number of registered persons conduct securities activities at, or are otherwise supervised from, such location;

(c) whether the location is geographically distant from another OSJ of the firm;

(d) whether the Member's registered persons are geographically dispersed; and

(e) whether the securities activities at such location are diverse or complex.

.03 Supervision of Multiple OSJs by a Single Principal.

Rule IEX 5.110 (a)(4) requires a Member to designate one or more appropriately registered principals in each OSJ with the authority to carry out the supervisory responsibilities assigned to that office ("on-site principal"). The designated on-site principal for each OSJ must have a physical presence, on a regular and routine basis, at each OSJ for which the principal has supervisory responsibilities.

Consequently, there is a general presumption that a principal will not be designated and assigned to be the on-site principal pursuant to IEX Rule 5.110(a)(4) to supervise more than one OSJ. If a Member determines it is necessary to designate and assign one appropriately registered principal to be the on-site principal pursuant to IEX Rule 5.110(a)(4) to supervise two or more OSJs, the Member must take into consideration, among others, the following factors:

(a) whether the on-site principal is qualified by virtue of experience and training to supervise the activities and associated persons in each location;

(b) whether the on-site principal has the capacity and time to supervise the activities and associated persons in each location;

(c) whether the on-site principal is a producing registered representative;

(d) whether the OSJ locations are in sufficiently close proximity to ensure that the on-site principal is physically present at each location on a regular and routine basis; and

(e) the nature of activities at each location, including size and number of associated persons, scope of business activities, nature and complexity of products and services offered, volume of business done, the disciplinary history of persons assigned to such locations, and any other indicators of irregularities or misconduct.

The Member must establish, maintain, and enforce written supervisory procedures regarding the supervision of all OSJs. In all cases where a Member designates and assigns one on-site principal to supervise more than one OSJ, the Member must document in the Member's written supervisory and inspection procedures the factors used to determine why the Member considers such supervisory structure to be reasonable and the determination by the Member will be subject to scrutiny.

.04 Annual Compliance Meeting.

A Member is not required to conduct in-person meetings with each registered person or group of registered persons to comply with the annual compliance meeting (or interview) required by IEX Rule 5.110(a)(7). A Member that chooses to conduct compliance meetings using other methods (e.g., on-demand webcast or course, video conference, interactive classroom setting, telephone, or other electronic means) must ensure, at a minimum, that each registered person attends the entire meeting (e.g., an on-demand annual compliance webcast would require each registered person to use a unique user ID and password to gain access and use a technology platform to track the time spent on the webcast, provide click-as-you go confirmation, and have an attestation of completion at the end of a webcast) and is able to ask questions regarding the presentation and receive answers in a timely fashion (e.g., an on-demand annual compliance webcast that allows registered persons to ask questions via an email to a presenter or a centralized address or via a telephone hotline and receive timely responses directly or view such responses on the Member's intranet site).

.05 Risk-based Review of Member's Investment Banking and Securities Business.

A Member may use a risk-based review system to comply with Rule 5.110(b)(2)'s requirement that a registered principal review, all transactions relating to the investment banking or securities business of the Member. A Member is not required to conduct detailed reviews of each transaction if a Member is using a reasonably designed risk-based review system that provides a Member with sufficient information that permits the Member to focus on the areas that pose the greatest numbers and risks of violation.

.06 Risk-based Review of Correspondence and Internal Communications.

By employing risk-based principles, a Member must decide the extent to which additional policies and procedures for the review of:

(a) incoming and outgoing written (including electronic) correspondence that fall outside of the subject matters listed in IEX Rule 5.110(b)(4) are necessary for its business and structure. If a Member's procedures do not require that all correspondence be reviewed before use or distribution, the procedures must provide for:

(1) the education and training of associated persons regarding the firm's procedures governing correspondence;

(2) the documentation of such education and training; and

(3) surveillance and follow-up to ensure that such procedures are implemented and followed.

(b) internal communications that are not of a subject matter that require review under IEX Rules and federal securities laws are necessary for its business and structure.

.07 Evidence of Review of Correspondence and Internal Communications.

The evidence of review required in IEX Rule 5.110(b) must be chronicled either electronically or on paper and must clearly identify the reviewer, the internal communication or correspondence that was reviewed, the date of review, and the actions taken by the Member as a result of any significant regulatory issues identified during the review. Merely opening a communication is not sufficient review.

.08 Delegation of Correspondence and Internal Communication Review Functions.

In the course of the supervision and review of correspondence and internal communications required by IEX Rule 5.110(b)(4), a supervisor/principal may delegate certain functions to persons who need not be registered. However, the supervisor/principal remains ultimately responsible for the performance of all necessary supervisory reviews, irrespective of whether he or she delegates functions related to the review. Accordingly, supervisors/principals must take reasonable and appropriate action to ensure delegated functions are properly executed and should evidence performance of their procedures sufficiently to demonstrate overall supervisory control.

.09 Retention of Correspondence and Internal Communications.

Each Member shall retain the internal communications and correspondence of associated persons relating to the Member's investment banking or securities business for the period of time and accessibility specified in SEA Rule 17a-4(b). The names of the persons who prepared outgoing correspondence and who reviewed the correspondence shall be ascertainable from the retained records, and the retained records shall be readily available to IEX, upon request.

.10 Supervision of Supervisory Personnel.

A Member's determination that it is not possible to comply with paragraphs (b)(6)(C)(i) or (b)(6)(C)(ii) of IEX Rule 5.110 prohibiting supervisory personnel from supervising their own activities and from reporting to, or otherwise having compensation or continued employment determined by, a person or persons they are supervising generally will arise in instances where:

(a) the Member is a sole proprietor in a single-person firm;

(b) a registered person is the Member's most senior executive officer (or similar position); or

(c) a registered person is one of several of the Member's most senior executive officers (or similar positions).

.11 Use of Electronic Media to Communicate Written Supervisory Procedures.

A Member may use electronic media to satisfy its obligation to communicate its written supervisory procedures, and any amendment thereto, pursuant to IEX Rule 5.110(b)(7), provided that: (1) the written supervisory procedures have been promptly communicated to, and are readily accessible by, all associated persons to whom such supervisory procedures apply based on their activities and responsibilities through, for example, the Member's intranet system; (2) all amendments to the written supervisory procedures are promptly posted to the Member's electronic media; (3) associated persons are notified that amendments relevant to their activities and responsibilities have been made to the written supervisory procedures; (4) the Member has reasonable procedures to monitor and maintain the security of the material posted to ensure that it cannot be altered by unauthorized persons; and (5) the Member retains current and prior versions of its written supervisory procedures in compliance with the applicable record retention requirements of SEA Rule 17a-4(e)(7).

.12 Standards for Reasonable Review.

In fulfilling its obligations under IEX Rule 5.110(c), each Member must conduct a review, at least annually, of the businesses in which it engages. The review must be reasonably designed to assist in detecting and preventing violations of and achieving compliance with applicable securities laws and regulations and with IEX rules. Each Member shall establish and maintain supervisory procedures that must take into consideration, among other things, the firm's size, organizational structure, scope of business activities, number and location of the firm's offices, the nature and complexity of the products and services offered by the firm, the volume of business done, the number of associated persons assigned to a location, the disciplinary history of registered representatives or associated persons, and any indicators of irregularities or misconduct (i.e., "red flags"), etc. The procedures established and reviews conducted must provide that the quality of supervision at remote locations is sufficient to ensure compliance with applicable securities laws and regulations and with IEX rules. A Member must be especially diligent in establishing procedures and conducting reasonable reviews with respect to a non-branch location where a registered representative engages in securities activities. Based on the factors outlined

above, Members may need to impose reasonably designed supervisory procedures for certain locations or may need to provide for more frequent reviews of certain locations.

.13 General Presumption of Three-Year Limit for Periodic Inspection Schedules.

IEX Rule 5.110(c)(1)(C) requires a Member to inspect on a regular periodic schedule every non-branch location. In establishing a non-branch location inspection schedule, there is a general presumption that a non-branch location will be inspected at least every three years, even in the absence of any indicators of irregularities or misconduct (i.e., "red flags"). If a Member establishes a longer periodic inspection schedule, the Member must document in its written supervisory and inspection procedures the factors used in determining that a longer periodic inspection cycle is appropriate.

.14 Exception to Persons Prohibited from Conducting Inspections.

A Member's determination that it is not possible to comply with IEX Rule 5.110(c)(3)(B) with respect to who is not allowed to conduct a location's inspection will generally arise in instances where:

(a) the Member has only one office; or

(b) the Member has a business model where small or single-person offices report directly to an OSJ manager who is also considered the offices' branch office manager.

** Where such office of convenience is located on bank premises, signage necessary to comply with applicable federal and state laws, rules and regulations and applicable rules and regulations of other self-regulatory organizations, and securities and banking regulators may be displayed and shall not be deemed "holding out" for purposes of this section.*

Rule 5.120. Supervisory Control System

(a) Each Member shall designate and specifically identify to IEX one or more principals who shall establish, maintain, and enforce a system of supervisory control policies and procedures that:

(1) test and verify that the Member's supervisory procedures are reasonably designed with respect to the activities of the Member and its associated persons, to achieve compliance with applicable securities laws and regulations, and with applicable IEX Rules; and

(2) create additional or amend supervisory procedures where the need is identified by such testing and verification. The designated principal or principals must submit to the Member's senior management no less than annually, a report detailing each Member's system of supervisory controls, the summary of the test results and significant identified exceptions, and any additional or amended supervisory procedures created in response to the test results.

(b) Each report provided to senior management pursuant to paragraph (a) in the calendar year following a calendar year in which a Member reported $200 million or more in gross revenue must include, to the extent applicable to the Member's business:

(1) a tabulation of the reports pertaining to customer complaints and internal investigations made to IEX during the preceding year; and

(2) discussion of the preceding year's compliance efforts, including procedures and educational programs, in each of the following areas:

(A) trading and market activities;

(B) investment banking activities;

(C) antifraud and sales practices;

(D) finance and operations;

(E) supervision; and

(F) anti-money laundering.

(c) For purposes of paragraph (b), "gross revenue" is defined as:

(1) total revenue as reported on FOCUS Form Part II or IIA (line item 4030) less commodities revenue (line item 3990), if applicable; or

(2) total revenue as reported on FOCUS Form Part II CSE (line item 4030) less, if applicable, (A) commissions on commodity transactions (line item 3991); and (B) commodities gains or losses (line items 3924 and 3904).

Rule 5.130. Annual Certification of Compliance and Supervisory Processes

(a) IEX Members and persons associated with a member shall comply with FINRA Rule 3130 as if such Rule were part of IEX's Rules.

(b) For purposes of this IEX Rule:

(1) references to "FINRA Rules" shall be construed as references to "IEX Rules," and

(2) references to "MSRB rules" shall be deleted.

Rule 5.140. Reserved.

Rule 5.150. Prevention of the Misuse of Material, Non-Public Information

Each Member must establish, maintain and enforce written procedures reasonably designed, taking into consideration the nature of such Member's business, to prevent the misuse of material, non-public information by such Member or persons associated with such Member. Members for whom the Exchange is the Designated Examining Authority that are required to file SEC form X-17A-5 with the Exchange on an annual or more frequent basis must file contemporaneously with the submission for the calendar year end Insider Trading and Securities Fraud Enforcement Act of 1988 compliance acknowledgements stating that the procedures mandated by this IEX Rule have been established, enforced and maintained. Any Member or associated person of a Member who becomes aware of a possible misuse of material, non-public information must notify the IEX Regulation.

(a) For purposes of this IEX Rule 5.150, conduct constituting the misuse of material, non-public information includes, but is not limited to, the following:

(1) Trading in any securities issued by a corporation, or in any related securities or related options or other derivative securities, while in possession of material, non-public information concerning that issuer; or

(2) Trading in a security or related options or other derivative securities, while in possession of material non-public information concerning imminent transactions in the security or related securities; or

(3) Disclosing to another person or entity any material, non-public information involving a corporation whose shares are publicly traded or an imminent transaction in an underlying security or related securities for the purpose of facilitating the possible misuse of such material, non-public information.

(b) This IEX Rule 5.150 provides that, at a minimum, each Member establish, maintain, and enforce the following policies and procedures:

(1) All associated persons of the Member must be advised in writing of the prohibition against the misuse of material, non-public information;

(2) All associated persons of the Member must sign attestations affirming their awareness of, and agreement to abide by the aforementioned prohibitions. These signed attestations must be maintained for at least three years, the first two years in an easily accessible place;

(3) Each Member must receive and retain copies of trade confirmations and monthly account statements for each account in which an associated person has a direct or indirect financial interest or makes investment decisions. The activity in such brokerage accounts should be reviewed at least quarterly by the Member for the purpose of detecting the possible misuse of material, non-public information;

(4) All associated persons must disclose to the Member whether they, or any person in whose account they have a direct or indirect financial interest, or make investment decisions, are an officer, director, or 10% shareholder in a company whose shares are publicly traded. Any transaction in the stock (or option thereon) of such company shall be reviewed to determine whether the transaction may have involved a misuse of material non-public information.

Maintenance of the foregoing policies and procedures will not, in all cases, satisfy the requirements and intent of this IEX Rule 5.150; the adequacy of each Member's policies and procedures will depend upon the nature of such Member's business.

Rule 5.160. Anti-Money Laundering Compliance Program

Each Member shall develop and implement a written anti-money laundering program reasonably designed to achieve and monitor the Member's compliance with the requirements of the Bank Secrecy Act (31 U.S.C. 5311, et seq.), and the implementing regulations promulgated thereunder by the Department of the Treasury. Each Member's anti-money laundering program must be approved, in writing, by a Member of senior management. The anti-money laundering programs required by this IEX Rule 5.160 shall, at a minimum:

(a) Establish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder;

(b) Establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act and the implementing regulations thereunder;

(c) Provide for annual (on a calendar-year basis) independent testing for compliance to be conducted by Member personnel or by a qualified outside party, unless the Member does not execute transactions for customers or otherwise hold customer accounts or act as an introducing broker with respect to customer accounts (e.g., engages solely in proprietary trading or conducts business only with other broker-dealers), in which case such "independent testing" is required every two years (on a calendar-year basis);

(d) Designate and identify to IEX (by name, title, mailing address, e-mail address, telephone number, and facsimile number) an individual or individuals responsible for implementing and monitoring the day-to-day operations and internal controls of the program (such individual or individuals must be an associated person of the Member) and provide prompt notification to IEX regarding any change in such designation(s); and

(e) Provide ongoing training for appropriate personnel.

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.01 Independent Testing Requirements

(a) All members should undertake more frequent testing than required if circumstances warrant.

(b) Independent testing, pursuant to IEX Rule 5.160(c), must be conducted by a designated person with a working knowledge of applicable requirements under the Bank Secrecy Act and its implementing regulations.

(c) Independent testing may not be conducted by:

(1) a person who performs the functions being tested,

(2) the designated anti-money laundering compliance person, or

(3) a person who reports to a person described in either subparagraphs (1) or (2) above.

.02 Review of Anti-Money Laundering Compliance Person Information

Each member must identify, review, and, if necessary, update the information regarding its anti-money laundering compliance person designated pursuant to IEX Rule 5.160(d) in the manner prescribed by IEX Rule 2.170(g)

Rule 5.170. Transactions for or by Associated Persons

Members and persons associated with a Member shall comply with NASD Rule 3050 as if such Rule were part of IEX's Rules.

CHAPTER 6. MISCELLANEOUS PROVISIONS

Rule 6.110. Comparison and Settlement Requirements

(a) Every Member who is a Member of a registered clearing agency shall implement comparison and settlement procedures under the rules of such entity.

(b) For purposes of this IEX Rule, a registered clearing agency shall mean a clearing agency (as defined in the Act) which has agreed to supply the Exchange with data reasonably requested in order to permit the Exchange to enforce compliance by its Members and Member organizations with the provisions of the Act, the rules and regulations thereunder, and the Rules of the Exchange.

(c) Anything contained in paragraph (a) to the contrary notwithstanding, the Board may extend or postpone the time of the delivery of an Exchange transaction whenever, in its opinion, such action is called for by the public interest, by just and equitable principles of trade or by the need to meet unusual conditions. In such case, delivery shall be effected at such time, place and manner as directed by the Board.

Rule 6.120. Failure to Deliver and Failure to Receive

(a) Borrowing and deliveries shall be effected in accordance with Rule 203 of Regulation SHO, under the Exchange Act. The Exchange incorporates by reference Rules 200 and 203 of Regulation SHO, to this IEX Rule 6.120, as if they were fully set forth herein.

Rule 6.130. Forwarding of Proxy and Other Issuer-Related Materials; Proxy Voting

(a) A Member when so requested by an issuer and upon being furnished with: (1) sufficient copies of proxy material, annual reports, information statements or other material required by law to be sent to security holders periodically, and (2) satisfactory assurance that it will be reimbursed by such issuer for all out-of-pocket expenses, including reasonable clerical expenses, shall transmit promptly to each beneficial owner of securities (or the beneficial owner's designated investment adviser) of such issuer which are in its possession and control and registered in a name other

than the name of the beneficial owner all such material furnished. In the event of a proxy solicitation, such material shall include a signed proxy indicating the number of shares held for such beneficial owner and bearing a symbol identifying the proxy with proxy records maintained by the Member, and a letter informing the beneficial owner (or the beneficial owner's designated investment adviser) of the time limit and necessity for completing the proxy form and forwarding it to the person soliciting proxies prior to the expiration of the time limit in order for the shares to be represented at the meeting. A Member shall furnish a copy of the symbols to the person soliciting the proxies and shall also retain a copy thereof pursuant to the provisions of Exchange Act Rule 17a-4. This paragraph shall not apply to beneficial owners residing outside of the U.S. though Members may voluntarily comply with the provisions hereof in respect of such persons if they so desire.

(b) No Member shall give a proxy to vote stock that is registered in its name, unless: (i) such Member is the beneficial owner of such stock; (ii) such proxy is given pursuant to the written instructions of the beneficial owner; or (iii) such proxy is given pursuant to the rules of any national securities exchange or association of which it is a Member provided that the records of the Member clearly indicate the procedure it is following.

(c) Notwithstanding the foregoing, a Member that is not the beneficial owner of a security registered under Section 12 of the Exchange Act is prohibited from granting a proxy to vote the security in connection with a shareholder vote on the election of a Member of the board of directors of an issuer (except for a vote with respect to uncontested election of a Member of the board of directors of any investment company registered under the Investment Company Act of 1940), executive compensation, or any other significant matter, as determined by the Commission, by rule, unless the beneficial owner of the security has instructed the Member to vote the proxy in accordance with the voting instructions of the beneficial owner.

(d) Notwithstanding the foregoing, a Member may give a proxy to vote any stock registered in its name if such Member holds such stock as executor, administrator, guardian, trustee, or in a similar representative or fiduciary capacity with authority to vote. A Member that has in its possession or within its control stock registered in the name of another Member and that desires to transmit signed proxies pursuant to the provisions of paragraph (a) of this IEX Rule 6.130, shall obtain the requisite number of signed proxies from such holder of record. Notwithstanding the foregoing: (1) any Member designated by a named Employee Retirement Income Security Act of 1974 (as amended) ("ERISA") Plan fiduciary as the investment manager of stock held as assets of the ERISA Plan may vote the proxies in accordance with the ERISA Plan fiduciary responsibilities if the ERISA Plan expressly grants discretion to the investment manager to manage, acquire, or dispose of any plan asset and has not expressly reserved the proxy voting right for the named ERISA Plan fiduciary; and (2) any designated investment adviser may vote such proxies.

(e) Designated Investment Advisor

For purposes of this IEX Rule 6.130, the term "designated investment adviser" is a person registered under the Investment Advisers Act of 1940, or registered as an investment adviser under the laws of a state, who exercises investment discretion pursuant to an advisory contract for the beneficial owner and is designated in writing by the beneficial owner to receive proxy and related materials and vote the proxy, and to receive annual reports and other material sent to security holders.

(f) For purposes of this IEX Rule 6.130, the term "state" shall have the meaning given to such term in Section 202(a)(19) of the Investment Advisers Act (as the same may be amended from time to time).

(g) The written designation must be signed by the beneficial owner; be addressed to the Member; and include the name of the designated investment adviser.

(h) Members that receive such a written designation from a beneficial owner must ensure that the designated investment adviser is registered with the SEC pursuant to the Investment Advisers Act, or with a state as an investment adviser under the laws of such state, and that the investment adviser is exercising investment discretion over the customer's

account pursuant to an advisory contract to vote proxies and/or to receive proxy soliciting material, annual reports and other material. Members must keep records substantiating this information.

(i) Beneficial owners have an unqualified right at any time to rescind designation of the investment adviser to receive materials and to vote proxies. The rescission must be in writing and submitted to the Member.

Rule 6.140. Assigning of Registered Securities in Name of a Member or Member Organization

(a) A Member may authorize one or more persons who are its employees to assign registered securities in the name of such Member and to guarantee assignments of registered securities with the same effect as if the name of such Member had been signed under like circumstances by one of the partners of the Member firm or by one of the authorized officers of the Member corporation by executing and filing with the Exchange, in a form prescribed by it, a separate Power of Attorney for each person so authorized.

Rule 6.150. Commissions

Nothing in IEX Rules, the Operating Agreement or the Exchange practices shall be construed to require, authorize or permit any Member, or any person associated with a Member, to agree or arrange, directly or indirectly, for the charging of fixed rates of commission for transactions effected on, or effected by the use of the facilities of, the Exchange.

Rule 6.160. Off-Exchange Transactions

No rule, stated policy or practice of this Exchange shall prohibit or condition, or be construed to prohibit or condition or otherwise limit, directly or indirectly, the ability of any Member to effect any transaction otherwise than on this Exchange with another person in any security listed on this Exchange or to which unlisted trading privileges on this Exchange have been extended.

Rule 6.170. Regulatory Services Agreement

The Exchange may enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Exchange Act. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

Rule 6.180. Transactions Involving IEX Employees

(a) When a Member has actual notice that an IEX employee has a financial interest in, or controls trading in, an account, the Member shall promptly obtain and implement an instruction from the employee directing that duplicate account statements be provided by the Member to IEX.

(b) No Member shall directly or indirectly make any loan of money or securities to any IEX employee. Provided, however, that this prohibition does not apply to loans made in the context of disclosed, routine banking and brokerage agreements, or loans that are clearly motivated by a personal or family relationship.

(c) Notwithstanding the annual dollar limitation set forth in IEX Rule 3.291, no Member shall directly or indirectly give, or permit to be given, anything of more than nominal value to any IEX employee who has responsibility for a regulatory matter that involves the Member. For purposes of this subsection, the term "regulatory matter" includes, but is not

limited to, examinations, disciplinary proceedings, membership applications, listing applications, delisting proceedings, and dispute-resolution proceedings that involve the Member.

CHAPTER 7. RESERVED.

CHAPTER 8. INVESTIGATIONS AND SANCTIONS

Rule Series 8.100. GENERAL PROVISIONS

Rule 8.100. Regulation of IEX and its Members

IEX and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions described in these rules on behalf of IEX. IEX Rules that refer to IEX Regulation, IEX Regulation staff, IEX staff, and IEX departments should be understood as also referring to FINRA staff and FINRA departments acting on behalf of IEX pursuant to the Regulatory Contract.

Notwithstanding the fact that IEX has entered into the Regulatory Contract with FINRA to perform some of IEX's functions, IEX shall retain ultimate legal responsibility for, and control of, such functions.

Rule 8.110. Availability of IEX Rulebook to Customers

Members shall make available a current copy of the IEX Rules for examination by customers upon request. Members may comply with this IEX Rule by maintaining electronic access to the IEX Rules and providing customers with such access upon request.

Rule 8.120. Definitions

Unless otherwise provided, terms used in this Chapter 8 shall have the meaning as defined in IEX Rule 9.120.

Rule Series 8.200. INVESTIGATIONS

Rule 8.210. Provisions of Information and Testimony and Inspection and Copying of Books

(a) Authority of Adjudicator and IEX Staff

For the purpose of an investigation, complaint, examination, or proceeding authorized by the IEX Operating Agreement or IEX Rules, an Adjudicator or IEX staff shall have the right to:

(1) require a Member, person associated with a Member, or any other person subject to IEX's jurisdiction to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by IEX staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding; and

(2) inspect and copy the books, records, and accounts of such Member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such Member's or person's possession, custody or control.

(b) Other SROs and Regulators

(1) IEX staff may enter into an agreement with a domestic federal agency, or subdivision thereof, or foreign regulator to share any information in IEX's possession for any regulatory purpose set forth in such agreement, provided that the agreement must require the other regulator, in accordance with the terms of the agreement, to treat any shared information confidentially and to assert such confidentiality and other applicable privileges in response to any requests for such information from third parties.

Any such agreement with a foreign regulator must also meet the following conditions:

(A) the other regulator party to the agreement must have jurisdiction over common regulatory matters; and

(B) the agreement must require the other regulator to reciprocate and share with IEX information of regulatory interest or concern to IEX.

(2) IEX staff may exercise the authority set forth in paragraph (a) for the purpose of an investigation, complaint, examination, or proceeding conducted by another domestic or foreign self-regulatory organization, association, securities or contract market, or regulator of such markets with which IEX has entered into an agreement providing for the exchange of information and other forms of material assistance solely for market surveillance, investigative, enforcement, or other regulatory purposes.

(c) Requirement to Comply

No Member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this IEX Rule.

(d) Notice

A notice under this IEX Rule 8.210 shall be deemed received by the Member or currently or formerly registered person to whom it is directed by mailing or otherwise transmitting the notice to the last known business address of the Member or the last known residential address of the person as reflected in the Central Registration Depository. With respect to a person who is currently associated with a Member in an unregistered capacity, a notice under this IEX Rule 8.210 shall be deemed received by the person by mailing or otherwise transmitting the notice to the last known business address of the Member as reflected in the Central Registration Depository. With respect to a person subject to IEX's jurisdiction who was formerly associated with a Member in an unregistered capacity, a notice under this IEX Rule shall be deemed received by the person upon personal service, as set forth in IEX Rule 9.134(a)(1).

If the Adjudicator or IEX staff responsible for mailing or otherwise transmitting the notice to the Member or person has actual knowledge that the address in the Central Registration Depository is out of date or inaccurate, then a copy of the notice shall be mailed or otherwise transmitted to:

(1) the last known business address of the Member or the last known residential address of the person as reflected in the Central Registration Depository; and

(2) any other more current address of the Member or the person known to the Adjudicator or IEX staff who is responsible for mailing or otherwise transmitting the notice.

If the Adjudicator or IEX staff responsible for mailing or otherwise transmitting the notice to the Member or person knows that the Member or person is represented by counsel regarding the investigation, complaint, examination, or proceeding that is the subject of the notice, then the notice shall be served upon counsel by mailing or otherwise transmitting the notice to the counsel in lieu of the Member or person, and any notice served upon counsel shall be deemed received by the Member or person.

(e) Electronic Interface

In carrying out its responsibilities under this IEX Rule 8.210, IEX may, as appropriate, establish programs for the submission of information to IEX on a regular basis through a direct or indirect electronic interface between IEX and Members.

(f) Inspection and Copying

A witness, upon proper identification, may inspect the official transcript of the witness' own testimony. Upon written request, a person who has submitted documentary evidence or testimony in an IEX investigation may procure a copy of the person's documentary evidence or the transcript of the person's testimony upon payment of the appropriate fees, except that prior to the issuance of a complaint arising from the investigation, IEX staff may for good cause deny such request.

(g) Encryption of Information Provided in Electronic Form

(1) Any Member or person who, in response to a request pursuant to this IEX Rule 8.210, provides the requested information on a portable media device must ensure that such information is encrypted.

(2) For purposes of this IEX Rule 8.210, a "portable media device" is a storage device for electronic information, including but not limited to a flash drive, CD-ROM, DVD, portable hard drive, laptop computer, disc, diskette, or any other portable device for storing and transporting electronic information.

(3) For purposes of this IEX Rule 8.210, "encrypted" means the transformation of data into a form in which meaning cannot be assigned without the use of a confidential process or key. To ensure that encrypted information is secure, a Member or person providing encrypted information to IEX staff pursuant to this IEX Rule 8.210 shall (a) use an encryption method that meets industry standards for strong encryption, and (b) provide the confidential process or key regarding the encryption to IEX staff in a communication separate from the encrypted information itself.

Rule 8.220. Automated Submission of Trading Data Requested

(a) A Member shall submit the trade data specified below in automated format as may be prescribed by IEX from time to time. This information shall be supplied with respect to any transaction or transactions that are the subject of a request for information made by IEX.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the Member for any account in which such Member, or person associated with a Member, is directly or indirectly interested, such Member shall submit or cause to be submitted the following information:

(1) Clearing house number, or alpha symbol as used by the Member submitting the data;

(2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the Member(s) on the opposite side of the transaction

(3) Identifying symbol assigned to the security;

(4) Date transaction was executed;

(5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale, or, if an options contract, whether open long or short or close long or short;

(6) Transaction price;

(7) Account number; and

(8) Trading center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the Member for any customer account, such Member shall submit or cause to be submitted the following information:

(1) The data described in paragraphs (b)(1) through (8) above;

(2) The customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened, employer name, and the tax identification number(s); and

(3) If the transaction was effected for another Member, whether the other Member was acting as principal or agent.

(d) In addition to the above trade data, a Member shall submit such other information in such automated format as may from time to time be required by IEX.

(e) Pursuant to IEX Rule Series 9.600, IEX may exempt a Member from the requirement that the data prescribed in paragraphs (b) through (d) above be submitted to IEX in an automated format for good cause shown.

Rule Series 8.300. SANCTIONS

Rule 8.310. Sanctions for Violation of the Rules

(a) Imposition of Sanction

After compliance with Chapter 9 of the IEX Rules, IEX may impose one or more of the following sanctions on a Member or person associated with a Member for each violation of the federal securities laws, rules or regulations thereunder, or IEX Rules, or may impose one or more of the following sanctions on a Member or person associated with a Member for any neglect or refusal to comply with an order, direction, or decision issued under the IEX Rules:

(1) censure a Member or person associated with a Member;

(2) impose a fine upon a Member or person associated with a Member;

(3) suspend the membership of a Member or suspend the registration of a person associated with a Member for a definite period or a period contingent on the performance of a particular act;

(4) expel a Member, cancel the membership of a Member, or revoke or cancel the registration of a person associated with a Member;

(5) suspend or bar a Member or person associated with a Member from association with all Members;

(6) impose a temporary or permanent cease and desist order against a Member or a person associated with a Member; or

(7) impose any other fitting sanction.

(b) Assent to Sanction

Each party to a proceeding resulting in a sanction shall be deemed to have assented to the imposition of the sanction unless such party files a written application for appeal, review, or relief pursuant to Chapter 9 of the IEX Rules.

Rule 8.320. Effect of a Suspension, Revocation, Cancellation or Bar

If IEX, the SEC, or the Member's designated examining authority issues an order that imposes a suspension, revocation, or cancellation of the registration of a person associated with a Member or bars a person from further association with any Member, a Member shall not allow such person to remain associated with it in any capacity, including a clerical or ministerial capacity. If IEX, the SEC, or the Member's designated examining authority suspends a person associated with a Member, the Member also shall not pay or credit any salary, or any commission, profit, or other remuneration that results

directly or indirectly from any securities transaction, that the person associated with a Member might have earned during the period of suspension.

Rule 8.330. Reserved.

Rule 8.340. Release of Disciplinary Decisions

The Exchange shall publish a copy of any final disciplinary action under IEX Rule Series 9.000, other than minor rule violations, on its website.

Rule 8.350. Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay

(a) Payment to the Exchange

All fines and other monetary sanctions shall be paid as directed by IEX.

(b) Summary Suspension or Expulsion

After seven days' notice in writing, IEX may summarily suspend or expel from membership a Member that fails to:

(1) pay promptly a fine or other monetary sanction imposed pursuant to IEX Rule 8.310 or cost imposed pursuant to IEX Rule 8.360 when such fine, monetary sanction, or cost becomes finally due and payable; or

(2) terminate immediately the association of a person who fails to pay promptly a fine or other monetary sanction imposed pursuant to IEX Rule 8.310 or a cost imposed pursuant to IEX Rule 8.360 when such fine, monetary sanction, or cost becomes finally due and payable.

(c) Summary Revocation of Registration

After seven days' notice in writing, IEX may summarily revoke the registration of a person associated with a Member if such person fails to pay promptly a fine or other monetary sanction imposed pursuant to IEX Rule 8.310 or a cost imposed pursuant to IEX Rule 8.360 when such fine, monetary sanction, or cost becomes finally due and payable.

Rule 8.360. Costs of Proceedings

A Member or person associated with a Member disciplined pursuant to IEX Rule 8.310 shall bear such costs of the proceeding as the Adjudicator deems fair and appropriate under the circumstances.

CHAPTER 9. CODE OF PROCEDURE

Rule Series 9.000. CODE OF PROCEDURE

Rule 9.001. Regulatory Contract with FINRA

IEX and FINRA are parties to the Regulatory Contract, pursuant to which FINRA has agreed to perform certain functions described in the Rule 9.000 Series on behalf of IEX. IEX Rules that refer to the IEX Regulation, IEX Regulation staff, IEX staff, and IEX departments should be understood as also referring to FINRA, FINRA staff, and FINRA departments acting on behalf of IEX pursuant to the Regulatory Contract.

Notwithstanding the fact that IEX has entered into the Regulatory Contract with FINRA to perform some of IEX's functions, IEX shall retain ultimate legal responsibility for, and control of, such functions.

Rule 9.100. Application and Purpose

Rule 9.110. Application

(a) Proceedings

Chapter 9 of the IEX Rules is the Code of Procedure and includes proceedings for disciplining a Member or person associated with a Member; proceedings for regulating the activities of a Member experiencing financial or operational difficulties; proceedings for summary or non-summary suspensions, cancellations, bars, prohibitions, or limitations; and proceedings for obtaining relief from the eligibility requirements of the IEX Operating Agreement and IEX Rules. Chapter 9 of the IEX Rules is of general applicability to all proceedings set forth in Chapter 9 of the IEX Rules, unless a specific Rule provides otherwise.

(b) Rights, Duties, and Obligations of Members and Associated Persons

Unless otherwise specified, a covered person shall have the same rights as a Member organization and shall be subject to the same duties and obligations under the Code of Procedure.

(c) Incorporation of Defined Terms and Cross References

Unless otherwise provided, terms used in the IEX Rule Series 9.000 shall have the meaning as defined in IEX Rules 1.160 and 9.120. References within the IEX Rule Series 9.000 to FINRA offices or departments refer to offices so designated by FINRA or Department of Market Regulation of FINRA.

Rule 9.120. Definitions

(a) "Adjudicator"

The term "Adjudicator" means:

(1) a body, board, committee, group, or natural person that presides over a proceeding and renders a decision;

(2) a body, board, committee, group, or natural person that presides over a proceeding and renders a recommended or proposed decision which is acted upon by an Adjudicator described in paragraph (a)(1); or

(3) a natural person who serves on a body, board, committee, or group described in paragraphs (a)(1) or (2).

(b) "Chief Hearing Officer"

The term "Chief Hearing Officer" means the Hearing Officer that manages the Office of Hearing Officers, or his or her delegatee. The Chief Hearing Officer may be FINRA's Chief Hearing Officer pursuant to the Regulatory Contract, if approved by the Board of Directors at least annually.

(c) Reserved

(d) "Code"

The term "Code" refers to the Code of Procedure.

(e) "Counsel to the IEX Appeals Committee"

The term "Counsel to the IEX Appeals Committee" means the General Counsel of IEX who is responsible for advising the IEX Appeals Committee regarding a disciplinary proceeding on appeal or review before the IEX Appeals Committee.

(f) "Department of Enforcement"

The term "Department of Enforcement" means the Department of Enforcement of FINRA, acting on behalf of IEX pursuant to the Regulatory Contract.

(g) "Department of Market Regulation"

The term "Department of Market Regulation" means the Department of Market Regulation of FINRA, acting on behalf of IEX pursuant to the Regulatory Contract.

(h) "Department of Member Regulation"

The term "Department of Member Regulation" means the Department of Member Regulation of FINRA, acting on behalf of IEX pursuant to the Regulatory Contract.

(i) "Director"

The term "Director" means a member of the Board of Directors of IEX.

(j) "Document"

The term "Document" means a writing, drawing, graph, chart, photograph, recording, or any other data compilation, including data stored by computer, from which information can be obtained.

(k) "Extended Hearing"

The term "Extended Hearing" means a disciplinary proceeding described in IEX Rule 9.231(c).

(l) "Extended Hearing Panel"

The term "Extended Hearing Panel" means an Adjudicator that is constituted under IEX Rule 9.231(c) to conduct a disciplinary proceeding that is classified as an "Extended Hearing" and is governed by Rule Series 9.200.

(m) "General Counsel"

The term "General Counsel" means the Chief Legal Officer or General Counsel of IEX, or his or her delegate, who shall be a person who reports to the Chief Legal Officer or General Counsel of IEX and is an Associate General Counsel, an Assistant General Counsel, or a person who has substantially the same or equivalent duties and responsibilities as an Associate General Counsel or an Assistant General Counsel.

(n) "Head of Enforcement"

The term "Head of Enforcement" means the individual designated by FINRA to manage its Department of Enforcement, or his or her delegatee in the Department of Enforcement.

(o) “Head of Market Regulation”

The term “Head of Market Regulation means the individual designated by FINRA to manage its Department of Market Regulation, or his or her delegatee in the Department of Market Regulation.

(p) "Hearing Officer"

The term "Hearing Officer" means an employee of FINRA, or former employee of FINRA who previously acted as a Hearing Officer, who is an attorney and who is appointed by the Chief Hearing Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in the Rule Series 9.200 regarding disciplinary proceedings, the Rule 9.550 Series regarding expedited proceedings and the Rule Series 9.800 regarding temporary cease and desist proceedings brought against Members and covered persons.

(q) "Hearing Panel"

The term "Hearing Panel" means an Adjudicator that is constituted under IEX Rule 9.231 to conduct a disciplinary proceeding governed by IEX Rule Series 9.200 or that is constituted under IEX Rule Series 9.520 or 9.550 to conduct a proceeding.

(r) "Interested Staff"

The term "Interested Staff" means, in the context of:

(1) a disciplinary proceeding under IEX Rule Series 9.200 and 9.300:

(A) the Head of Enforcement;

(B) an IEX Regulation employee or FINRA employee of the Department of Enforcement who reports, directly or indirectly, to the Head of Enforcement;

(C) an IEX Regulation or FINRA employee who directly participated in the authorization of the complaint;

(D) an IEX Regulation or FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific disciplinary proceeding, and a district director or department head to whom such employee reports;

(E) the Head of Market Regulation; or

(F) an employee of the Department of Market Regulation who reports, directly or indirectly, to the Head of Market Regulation;

(2) a proceeding under IEX Rule Series 9.520 or 9.550:

(A) the head of the department or office that issues the notice or is designated as a Party;

(B) an IEX Regulation or FINRA employee who reports, directly or indirectly, to such person;

(C) an IEX Regulation or FINRA employee who directly participated in the authorization or initiation of the proceeding; or

(D) an IEX Regulation or FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific proceeding, and a district director or department head to whom such employee reports; or

(3) a proceeding under IEX Rule Series 9.600:

(A) the head of the department or office that issues the decision granting or denying an exemption or is designated as a Party;

(B) an IEX Regulation or FINRA employee who reports, directly or indirectly, to such person;

(C) an IEX Regulation or FINRA employee who directly participated in the exemption proceeding; or

(D) an IEX Regulation or FINRA employee who directly participated in an examination, investigation, prosecution, or litigation related to a specific exemption proceeding, and a district director or department head to whom such employee reports.

(s) "Office of Disciplinary Affairs"

The term "Office of Disciplinary Affairs" means the Office of Disciplinary Affairs for FINRA.

(t) "Panelist"

The term "Panelist," as used in IEX Rule 9.200, means a member of a Hearing Panel or Extended Hearing Panel who is not a Hearing Officer.

(u) "Party"

With respect to a particular proceeding, the term "Party" means:

(1) in IEX Rule Series 9.200, 9.300, and 9.800, the Department of Enforcement or the Department of Market Regulation or a Respondent;

(2) in IEX Rule Series 9.520, the Department of Member Regulation or a Member that is the subject of a notice or files an application under IEX Rule 9.522;

(3) in IEX Rule Series 9.550, the IEX department or office that issued the notice or, if another IEX department or office is named as the party handling the matter on behalf of the issuing department or office, the IEX department or office that is so designated or a Member or person that is the subject of a notice under IEX Rule Series 9.550; or

(4) in IEX Rule Series 9.600, the department or office designated under IEX Rule 9.620 to issue the decision granting or denying an exemption or a Member that seeks the exemption under IEX Rule 9.610.

(v) "Respondent"

The term "Respondent" means, in a disciplinary proceeding governed by Rule Series 9.200 and in an appeal or review governed by Rule Series 9.300, an IEX Member or associated person against whom a complaint is issued.

Rule Series 9.130. Service; Filing of Papers

Rule 9.131. Service of Complaints

(a) Service on Each Party

Except as provided below, a complaint shall be served on each Party by the Department of Enforcement or the Department of Market Regulation. When counsel for a Party or other person authorized to represent others under IEX Rule 9.141 agrees to accept service of the complaint, then the Department of Enforcement or Department of Market Regulation may serve the complaint on counsel for a Party or other person authorized to represent others under IEX Rule 9.141 as specified in IEX Rule 9.134(a).

(b) How Served

A complaint or document initiating a proceeding shall be served pursuant to IEX Rule 9.134.

(c) Filing Requirement

A complaint that is served upon a Respondent and each document initiating a proceeding that is served upon a Party, along with the certificate of service executed in connection with the service upon such Respondent or Party, shall be filed with FINRA (as regulatory services provider for IEX) pursuant to IEX Rule 9.135.

Rule 9.132. Service of Orders, Notices, and Decisions by Adjudicator

(a) Service on Each Party

An order, notice, or decision issued by a Hearing Officer, Hearing Panel, or Extended Hearing Panel under IEX Rule Series 9.200 shall be served on each Party, or each Party's counsel, or other person the Party designates to represent him or her in a proceeding by the Office of Hearing Officers. An order, notice, or decision issued by any other Adjudicator shall be served by that Adjudicator.

(b) How Served

An order, notice, or decision shall be served pursuant to IEX Rule 9.134.

(c) Service Upon Counsel or Other Person Acting In Representative Capacity

Whenever service is required to be made upon a person represented by counsel or a representative who has filed a notice of appearance pursuant to IEX Rule 9.141, service shall be made upon counsel or the representative. The Adjudicator, at its discretion, may also order that service be made upon the person.

Rule 9.133. Service of Papers Other Than Complaints, Orders, Notices, or Decisions

(a) Service on Each Party

Other than a complaint, order, notice, or decision, any paper, including an answer and a motion, shall be served on each Party by the Party on whose behalf such paper was prepared or by his or her counsel or representative.

(b) How Served

The paper shall be served pursuant to IEX Rule 9.134.

(c) Filing Requirement

The paper that is served upon a Party, along with the certificate of service executed in connection with the service upon such Party, shall be filed with FINRA (as regulatory service provider for IEX) pursuant to IEX Rule 9.135.

(d) Service upon Counsel or Other Person Acting in Representative Capacity

Whenever service is required to be made upon a person represented by counsel or a representative who has filed a notice of appearance pursuant to IEX Rule 9.141, service shall be made upon counsel or the representative. The Adjudicator, at its discretion, may also order that service be made upon the person.

Rule 9.134. Methods of, Procedures for Service

(a) Methods

The following methods of service are permitted:

(1) Personal Service

Personal service may be accomplished by handing a copy of the papers to the person required to be served; leaving a copy at the person's office with an employee or other person in charge thereof; or leaving a copy at the person's dwelling or usual place of abode with a person of suitable age and discretion then residing therein;

(2) Service by Mail by U.S. Postal Service

Service by mail may be accomplished by mailing the papers through the U.S. Postal Service by using first class mail, first class certified mail, first class registered mail, or Express Mail, except that a complaint shall be served upon a Respondent by U.S. Postal Service first class certified mail or Express Mail; or

(3) Service by Courier

Service by courier may be accomplished by sending the papers through a courier service that generates a written confirmation of receipt or of attempts at delivery.

(b) Procedures

(1) Service on Natural Persons

Papers served on a natural person may be served at the natural person's residential address, as reflected in the Central Registration Depository, if applicable. When a Party or other person responsible for serving such person has actual knowledge that the natural person's Central Registration Depository address is out of date, duplicate copies shall be served on the natural person at the natural person's last known residential address and the business address in the Central Registration Depository of the entity with which the natural person is employed or affiliated. Papers may also be served at the business address of the entity with which the natural person is employed or affiliated, as reflected in the Central Registration Depository, or at a business address, such as a branch office, at which the natural person is employed, or at which the natural person is physically present during a normal business day. The Hearing Officer may waive the requirement of serving documents (other than complaints) at the addresses listed in the Central Registration Depository if there is evidence that these addresses are no longer valid, and there is a more current address available. If a natural person is represented by counsel or a representative, papers served on the natural person, excluding a complaint or a document initiating a proceeding, shall be served on the counsel or representative.

(2) Service on Entities

Papers served on an entity shall be made by service on an officer, partner of a partnership, managing or general agent, a contact employee as set forth on Form BD, or any other agent authorized by appointment or by law to accept service. Such papers shall be served at the entity's business address as reflected in the Central Registration Depository, if applicable; provided, however, that when the Party or other person responsible for serving such entity has actual knowledge that an entity's Central Registration Depository address is out of date, duplicate copies shall be served at the entity's last known address. If an entity is represented by counsel or a representative, papers served on such entity, excluding a complaint or document initiating a proceeding, shall be served on such counsel or representative.

(3) When Service Is Complete

Personal service and service by courier or Express Mail are complete upon delivery. Service by mail is complete upon mailing.

Rule 9.135. Filing of Papers with Adjudicator: Procedure

(a) When to File

Papers that are required to be filed with an Adjudicator within a time limit specified by the Adjudicator or within a time limit set forth in the IEX Rules shall be deemed timely if received within the time limit, unless otherwise ordered by an Adjudicator, except complaints, which shall be deemed timely filed upon mailing, delivery by electronic mail, or delivery to the Office of Hearing Officers. Other papers that are required to be filed shall be deemed timely if, on the same day such papers are served, they are also hand-delivered, mailed via U.S. Postal service first class mail, delivered by electronic mail, or sent by courier to FINRA.

(b) Where to File

All papers required to be filed pursuant to IEX Rule Series 9.200 and any notice of appeal or review required to be filed pursuant to IEX Rule Series 9.300 shall be filed with the Office of Hearing Officers. All other papers required to be filed pursuant to IEX Rule Series 9.000 shall be filed where specified in the Rule, or if not specified in the Rule, with the Adjudicator, unless the Adjudicator orders otherwise.

(c) Certificate of Service

Papers filed with an Adjudicator or the Office of Hearing Officers shall be accompanied by a certificate of service stating the name of the person or persons served, the date on which service is made, the method of service and, if

service is not made in person, the address to which service is made. Such certificate shall be executed by the person who made the service. If the method of service on a Party is different from the method of service on any other Party, the certificate shall state why such different method was used.

Rule 9.136. Filing of Papers: Form

(a) Specifications

Papers filed in connection with any proceeding under IEX Rule Series 9.200 and 9.300 shall:

(1) be on unglazed white paper measuring 8 ½ x 11 inches, but to the extent that the reduction of a larger document would render it illegible, such document may be filed on larger paper;

(2) be typewritten or printed in either 10 or 12 point typeface or otherwise reproduced by a process that produces a permanent and plainly legible copy;

(3) include at the head of the paper, or on a title page, the title of the proceeding, the names of the Parties, the subject of the particular paper or pleading, and the number assigned to the proceeding;

(4) be paginated at the bottom of the page and with all margins at least one inch wide;

(5) be double-spaced, with single-spaced footnotes and single-spaced indented quotations; and

(6) be stapled, clipped, or otherwise fastened in the upper left corner, but not bound.

(b) Signature Required

All papers shall be signed and dated pursuant to IEX Rule 9.137.

(c) Number of Copies

A signed original and one copy of all papers shall be filed with the Adjudicator unless otherwise ordered.

(d) Form of Briefs

A brief containing more than ten pages shall include a table of contents, and an alphabetized table of cases, statutes, and other authorities cited, with references to the pages of the brief wherein they are cited.

(e) Scandalous or Impertinent Matter

Any scandalous or impertinent matter contained in any brief, pleading, or other filing, or in connection with any oral presentation in a proceeding may be stricken on order of an Adjudicator. Any matter stricken by an Adjudicator by this IEX Rule shall be marked "Stricken" and preserved. Matters stricken in a proceeding governed by Rule Series 9.200 shall be preserved under IEX Rule 9.267(b).

Rule 9.137. Filing of Papers: Signature Requirement and Effect

(a) General Requirements

Following the issuance of a complaint in a disciplinary proceeding, or the initiation of another proceeding, every filing of a Party represented by counsel or a representative shall be signed by at least one counsel or representative of record in his or her name and shall state the business address and telephone number of such counsel or representative. A Party who appears on his or her own behalf shall sign his or her individual name and state his or her address and telephone number on every filing.

(b) Effect of Signature

(1) The signature of a counsel, representative, or Party shall constitute a certification that:

(A) the person signing the filing has read the filing;

(B) to the best of his or her knowledge, information, and belief, formed after reasonable inquiry, the filing is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and

(C) the filing is not made for any improper purpose, such as to harass, cause unnecessary delay, or needlessly to increase the cost of adjudication.

(2) If a filing is not signed, an Adjudicator may strike the filing, unless it is signed promptly after the omission is called to the attention of the person making the filing.

Rule 9.138. Computation of Time

(a) Calendar Day

In Chapter 9 of the IEX Rules, "day" means calendar day.

(b) Formula

In computing any period of time, the day of the act, event, or default from which the period of time designated in the Code begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or Federal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or Federal holiday. Intermediate Saturdays, Sundays, and Federal holidays shall be excluded from the computation when the period prescribed is ten days or less, not including any additional time for service by mail allowed by paragraph (c).

(c) Additional Time For Service by Mail

(d) If service is made by U.S. Postal Service first class, certified, or registered mail, three days shall be added to the prescribed period for response.

Rule Series 9.140. PROCEEDINGS

Rule 9.141. Appearance and Practice; Notice of Appearance

(a) Representing Oneself

In any proceeding, a person may appear on his or her own behalf. When a person first makes any filing or otherwise appears on his or her own behalf before an Adjudicator in a proceeding, he or she shall file with the Adjudicator, or otherwise state on the record, and keep current, an address at which any notice or other written communication required to be served upon or furnished to him or her may be sent and a telephone number where he or she may be reached during business hours.

(b) Representing Others

A person shall not be represented before an Adjudicator, except as provided in this paragraph 9.141(b). Subject to the prohibitions of IEX Rules 9.150 and 9.280, a person may be represented in any proceeding by an attorney at law admitted to practice before the highest court of any state of the U.S., the District of Columbia, or any commonwealth, territory, or possession of the United States. A member of a partnership may represent the partnership; and a bona fide officer of a corporation, trust, or association may represent the corporation, trust, or association. When a person first makes any filing or otherwise appears in a representative capacity before an Adjudicator in a proceeding, that person shall file with the Adjudicator, and keep current a Notice of Appearance. The Notice of Appearance is a written

notice stating the name of the proceeding; the representative's name, business address, and telephone number; and the name and address of the person or persons represented. Any individual appearing or practicing in a representative capacity before an Adjudicator may be required to file a power of attorney with the Adjudicator showing his or her authority to act in such capacity.

Rule 9.142. Withdrawal by Attorney or Representative

An attorney for a Party or other person authorized to represent others by IEX Rule 9.141 seeking to withdraw his or her appearance shall file a motion to withdraw. The motion shall set forth the good cause for withdrawal and state the name, current address, and telephone number of the Party no longer being represented.

Rule 9.143. Ex Parte Communications

(a) Prohibited Communications

Unless on notice and opportunity for all Parties to participate, or to the extent required for the disposition of ex parte matters as authorized by Chapter 9 of IEX Rules:

(1) No Party, or counsel to or representative of a Party, or Interested Staff shall make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding to an Adjudicator who is participating in a decision with respect to that proceeding, or to an IEX employee who is participating or advising in the decision of an Adjudicator with respect to that proceeding; and

(2) No Adjudicator who is participating in a decision with respect to a proceeding, or no IEX employee who is participating or advising in the decision of an Adjudicator with respect to a proceeding shall make or knowingly cause to be made to a Party, a counsel or representative to a Party, or Interested Staff an ex parte communication relevant to the merits of that proceeding.

(b) Disclosure of Prohibited Communication

An Adjudicator who is participating in a decision with respect to a proceeding, or an IEX employee who is participating or advising in the decision of an Adjudicator, who receives, makes, or knowingly causes to be made a communication prohibited by this IEX Rule shall place in the record of the proceeding:

(1) all such written communications;

(2) memoranda stating the substance of all such oral communications; and

(3) all written responses and memoranda stating the substance of all oral responses to all such communications.

(c) Remedies

Upon receipt of a communication made or knowingly caused to be made by any Party, any counsel or representative to a Party, or any Interested Staff in violation of paragraph (a)(1) above, IEX or an Adjudicator may, to the extent consistent with the interests of justice, the policies underlying the Exchange Act, and the IEX Rules, order the Party responsible for the communication, or the Party who may benefit from the ex parte communication made, to show cause why the Party's claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by reason of such ex parte communication. All participants to a proceeding may respond to any allegations or contentions contained in a prohibited ex parte communication placed in the record. Such responses shall be placed in the record.

(d) Timing

In a disciplinary proceeding governed by IEX Rule Series 9.200 and 9.300, the prohibitions of this IEX Rule 9.143 shall apply beginning with the authorization of a complaint as provided in IEX Rule 9.211, unless the person responsible for the communication has knowledge that the complaint shall be authorized, in which case the prohibitions shall apply beginning at the time of his or her acquisition of such knowledge.

(e) Waiver of Ex Parte Prohibition

(1) Offer of Settlement

If a Respondent submits an offer of settlement under IEX Rule 9.270, the submission constitutes a waiver by such Respondent of any claim that the prohibitions against ex parte communications were violated by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) Letter of Acceptance, Waiver, and Consent

If a Member or a person associated with a Member submits an executed letter of acceptance, waiver, and consent under IEX Rule 9.216(a), the submission constitutes a waiver by such Member or person associated with a Member of any claim that the prohibitions against ex parte communications were violated by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(3) Minor Rule Violation Plan Letter

If a Member or a person associated with a Member submits an executed minor rule violation plan letter under IEX Rule 9.216(b), the submission constitutes a waiver by such Member or person associated with a Member of any claim that the prohibitions against ex parte communications by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter, or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule plan violation letter.

Rule 9.144. Separation of Functions

(a) Interested Staff

Except as counsel or a witness in a proceeding or as provided in IEX Rule 9.550, Interested Staff are prohibited from advising an Adjudicator regarding a decision or otherwise participating in a decision of an Adjudicator. An Adjudicator is prohibited from advising Interested Staff regarding a decision or otherwise participating in a decision of Interested Staff, including the decision to issue a complaint and a decision whether to appeal or cross-appeal a disciplinary proceeding to the IEX Appeals Committee.

(b) Separation of Adjudicators

A Hearing Officer, including the Chief Hearing Officer, or a Panelist of a Hearing Panel or an Extended Hearing Panel, is prohibited from participating in: a decision whether to issue a complaint pursuant to IEX Rule 9.211; a decision whether to appeal or cross-appeal a disciplinary proceeding to the IEX Appeals Committee pursuant to IEX Rule 9.311; and a discussion or decision relating to a call for review, a review, or an appeal pursuant IEX Rule Series 9.300. A Director is prohibited from participating in a discussion or a decision relating to the above referenced acts with the IEX Appeals Committee or the Adjudicators referenced above, except to the extent the Director is serving on the IEX Appeals Committee in such capacity.

(c) Waiver of Prohibitions of Separation of Functions

(1) Offer of Settlement

If a Respondent submits an offer of settlement under IEX Rule 9.270, the submission constitutes a waiver by such Respondent of any claim of violation of paragraph (a) or (b) of this IEX Rule 9.144 by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) Letter of Acceptance, Waiver, and Consent

If a Member or a person associated with a Member submits an executed letter of acceptance, waiver, and consent under IEX Rule 9.216(a), the submission constitutes a waiver by such Member or person associated with a Member of any claim of violation of paragraph (a) or (b) of this IEX Rule 9.144 by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the proposed letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(3) Minor Rule Violation Plan Letter

If a Member or a person associated with a Member submits an executed minor rule violation plan letter under IEX Rule 9.216(b), the submission constitutes a waiver by such Member or person associated with a Member of any claim of violation of paragraph (a) or (b) of this IEX Rule 9.144 by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.

Rule 9.145. Rules of Evidence; Official Notice

(a) Rules of Evidence

The formal rules of evidence shall not apply in a proceeding brought under the Rule 9.000 Series.

(b) Official Notice

In a proceeding governed by the Rule 9.000 Series, an Adjudicator may take official notice of such matters as might be judicially noticed by a court, or of other matters within the specialized knowledge of IEX as an expert body. Before an Adjudicator proposes to take official notice of a matter, it shall permit a Party the opportunity to oppose or otherwise comment upon the proposal to take official notice.

Rule 9.146. Motions

(a) General Requirement for Motions

A Party may make a written or oral motion, subject to limitations set forth below. A Party or other person may make a motion under IEX Rule 9.146(k), subject to limitations set forth below.

(b) Adjudicator May Require a Written Motion

If a Party makes an oral motion, an Adjudicator may order that such motion be set forth in writing, after considering the facts and circumstances, including whether:

(1) the hearing or conference in which the Party makes such motion is being recorded; and

(2) the opposing Parties shall be fully informed and shall have adequate notice and opportunity to respond to such motion.

(c) Specificity

All motions shall state the specific relief requested and the basis therefor.

(d) Time For Filing Opposition or Other Response to Motion

Unless otherwise ordered by an Adjudicator, any Party may file an opposition or other response to a written motion and the opposition or response shall be filed within 14 days after service of the motion. If no response is filed within the response period, the Party failing to respond shall be deemed to have waived any objection to the granting of the motion. A Party shall be afforded an opportunity to respond to an oral motion at the time the oral motion is made, unless the Adjudicator orders that the Party shall be granted additional time to respond.

(e) Oral Argument

An Adjudicator may allow oral argument on motions. Oral argument may take place in person or by telephone.

(f) Frivolous Motions

An Adjudicator may deny dilatory, repetitive, or frivolous motions without awaiting a response.

(g) No Stay

Unless otherwise ordered by an Adjudicator, the filing of a motion does not stay a proceeding.

(h) Reply

The moving Party shall have no right to reply to the opposition or other response of the other Parties unless an Adjudicator permits a reply to be filed. Unless otherwise ordered by an Adjudicator, a movant's reply submission shall be filed within five days after the Adjudicator serves the order granting the motion to file a reply or a Party serves the opposition or other response to which the Adjudicator previously ordered that a reply could be filed.

(i) Page Limit, Format Requirements

Unless otherwise ordered by an Adjudicator, submissions in support of or in opposition to motions shall not exceed ten double-spaced pages, including double-spaced footnotes, exclusive of pages containing any table of contents, table of authorities, or addenda.

(j) Disposition of Procedural Motions; Disposition of Motions for Summary Disposition

(1) In IEX Rule Series 9.200, a motion on a procedural matter may be decided by a Hearing Officer. A motion for summary disposition of a cause of action set forth in a complaint shall be decided by a majority vote of the Hearing Panel or, if applicable, the Extended Hearing Panel.

(2) In IEX Rule Series 9.300, a motion on a procedural matter may be decided by the Board.

(3) In IEX Rule Series 9.500, a motion shall be decided by an Adjudicator.

(k) Motion For Protective Order

(1) A Party, a person who is the owner, subject, or creator of a Document subject to production under IEX Rule 8.210 or any other IEX Rule that may be introduced as evidence in a disciplinary proceeding, or a witness who testifies at a hearing in a disciplinary proceeding may file a motion requesting a protective order to limit disclosure or prohibit from disclosure to other Parties, witnesses or other persons, except the Department of Enforcement and the Department of Market Regulation and IEX Regulation staff, Documents or testimony that contain confidential information. The motion shall include a general summary or extract of the Documents or

testimony without revealing confidential details. If the movant seeks a protective order against disclosure to other Parties, copies of the Documents shall not be served on the other Parties. Unless the Documents are unavailable, the movant shall file for in camera inspection a sealed copy of the Documents for which the order is sought. If the movant is not a Party, the motion shall be served on each Party by the movant using a method in IEX Rule 9.134(a) and filed with the Adjudicator. A motion for a protective order shall be granted only upon a finding that disclosure of the Document or testimony would have a demonstrated adverse business effect on the movant or would involve an unreasonable breach of the movant's personal privacy.

(2) If a protective order is granted, the order shall set forth the restrictions on use and disclosure of such Document or testimony. An Adjudicator does not have the authority to issue a protective order that would limit in any manner the use by IEX staff of such Documents or testimony in IEX staff's performance of their regulatory and self-regulatory responsibilities and functions, including the transmittal, without restriction to the recipient, of such Documents or testimony to state, federal, or foreign regulatory authorities or other self-regulatory organizations. An Adjudicator does not have the authority to issue a protective order that purports to protect from production such Documents or testimony in the event that IEX is subject to a subpoena requiring that the Documents or testimony be produced.

(l) General

All motions, oppositions or responses, replies, and any other filings made in a proceeding shall comply with IEX Rules 9.133, 9.134, 9.135, 9.136, and 9.137.

Rule 9.147. Rulings on Procedural Matters

The Board, the IEX Appeals Committee, a Hearing Officer, or any other Adjudicator shall have full authority, except as otherwise provided by the Code, to rule on a procedural motion and any other procedural or administrative matter arising during the course of a proceeding conducted pursuant to the Code, subject to the rights of review or appeal provided by the Code.

Rule 9.148. Interlocutory Review

Except as provided in IEX Rule 9.280, there shall be no interlocutory review of a ruling or order issued by any Adjudicator in a proceeding governed by the Code. If an Adjudicator grants interlocutory review of a ruling or order, such review shall not stay a proceeding, except under IEX Rule 9.280 or as otherwise ordered by the Adjudicator.

Rule 9.149. Reserved.

Rule 9.150. Exclusion from IEX Rule Series 9.000 Proceeding

(a) Exclusion

An Adjudicator may exclude an attorney for a Party or other person authorized to represent others by IEX Rule 9.141 from acting as counsel, acting in any representative capacity, or otherwise appearing in a particular Chapter 9 of the IEX Rules proceeding for contemptuous conduct under IEX Rule 9.280 or unethical or improper professional conduct in that proceeding. If an attorney for a Party, or other person authorized to represent others by IEX Rule 9.141, is excluded from a disciplinary hearing or conference, or any portion thereof, such attorney or person may seek review by the IEX Appeals Committee of such exclusion under IEX Rule 9.280(c).

(b) Other Proceedings Not Precluded

Prohibiting an attorney or other person authorized to represent others by IEX Rule 9.141 from practicing or appearing in an IEX proceeding shall not preclude IEX or FINRA from initiating other proceedings against such person.

Rule 9.160. Recusal or Disqualification

No person shall participate as an Adjudicator in a matter governed by the Code as to which he or she has a conflict of interest or bias, or circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case the person shall recuse himself or herself, or shall be disqualified as follows:

(a) IEX Board

The Chair of the Board shall have authority to order the disqualification of a Director, and a majority of the Board excluding the Chair of the Board, shall have authority to order the disqualification of the Chair;

(b) The Chair of the IEX Appeals Committee shall have authority to order the disqualification of a member of the IEX Appeals Committee and a majority of the IEX Appeals Committee excluding the Chair, shall have authority to order the disqualification of the Chair.

(c) Reserved

(d) Reserved

(e) Panelist of Hearing Panel or Extended Hearing Panel

Disqualification of a Panelist of a Hearing Panel or Extended Hearing Panel appointed under IEX Rule Series 9.200 shall be governed by IEX Rule 9.234; and

(f) Hearing Officer

Disqualification of a Hearing Officer of a Hearing Panel or an Extended Hearing Panel shall be governed by IEX Rule 9.233.

Rule Series 9.200. DISCIPLINARY PROCEEDINGS

Rule Series 9.210. COMPLAINT AND ANSWER

Rule 9.211. Authorization of Complaint

(a) Complaint

(1) If the Department of Enforcement or the Department of Market Regulation believes that any IEX Member or associated person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which IEX has jurisdiction to enforce, the Department of Enforcement or the Department of Market Regulation may request authorization from the Office of Disciplinary Affairs to issue a complaint.

(2) The Board shall have the authority to direct the Office of Disciplinary Affairs to authorize the Department of Enforcement or the Department of Market Regulation to issue a complaint when, on the basis of information and belief, IEX is of the opinion that any IEX Member or associated person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which IEX has jurisdiction to enforce.

(b) Commencement of Disciplinary Proceeding

A disciplinary proceeding shall begin when the complaint is served and filed.

Rule 9.212. Complaint Issuance – Requirements, Service, Amendment, Withdrawal, and Docketing

(a) Form, Content, Notice, Docketing, and Service

(1) If a complaint is authorized, the Department of Enforcement or the Department of Market Regulation shall issue the complaint. Each complaint shall be in writing and signed by the Department of Enforcement or the Department of Market Regulation. The complaint shall specify in reasonable detail the conduct alleged to constitute the violative activity and the rule, regulation, or statutory provision the Respondent is alleged to be violating or to have violated. If the complaint consists of several causes of action, each cause shall be stated separately. Complaints shall be served by the Department of Enforcement or the Department of Market Regulation on each Party pursuant to IEX Rules 9.131 and 9.134, and filed at the time of service with the Office of Hearing Officers pursuant to IEX Rules 9.135, 9.136, and 9.137.

(2) At the time of issuance of a complaint, the Department of Enforcement or the Department of Market Regulation may propose:

(A) an appropriate location for the hearing; and

(B) if applicable, the Extended Hearing Panel as described in IEX Rule 9.231.

(b) Amendments to Complaint

The Department of Enforcement or the Department of Market Regulation may file and serve an amended complaint once as a matter of course at any time before the Respondent answers the complaint. Otherwise, upon motion by the Department of Enforcement or the Department of Market Regulation, the Hearing Officer may permit the Department of Enforcement or the Department of Market Regulation to amend the complaint, including amendments so as to make the complaint conform to the evidence presented, after considering whether the Department of Enforcement or the Department of Market Regulation has shown good cause for the amendment and whether any Respondent will suffer any unfair prejudice if the amendment is allowed. Amendments to complaints will be freely granted when justice so requires.

(c) Withdrawal of Complaint

With prior leave of the Hearing Officer, the Department of Enforcement or the Department of Market Regulation may withdraw a complaint. If the Department of Enforcement or the Department of Market Regulation withdraws the complaint before the earlier of (1) the Hearing Panel's or, if applicable, the Extended Hearing Panel's, issuance of a ruling on a motion for summary disposition, or (2) the start of the hearing on the merits, the withdrawal of the complaint by the Department of Enforcement or the Department of Market Regulation shall be without prejudice and the Department of Enforcement or the Department of Market Regulation shall be permitted to refile a case based on allegations concerning the same facts and circumstances that are set forth in the withdrawn complaint. If the Department of Enforcement or the Department of Market Regulation requests to withdraw such complaint after the occurrence of either of the two events set forth in (1) and (2) in this paragraph, the Hearing Panel or, if applicable, the Extended Hearing Panel, after considering the facts and circumstances of the request, shall determine whether the withdrawal shall be granted with prejudice.

(d) Disciplinary Proceeding Docket

The Office of Hearing Officers shall promptly record each complaint filed with it in IEX's disciplinary proceeding docket, and record in the disciplinary proceeding docket each event, filing, and change in the status of a disciplinary proceeding.

Rule 9.213. Assignment of Hearing Officer and Appointment of Panelists to Hearing Panel or Extended Hearing Panel

(a) Assignment of Hearing Officer

As soon as practicable after the Department of Enforcement or the Department of Market Regulation has filed a complaint with the Office of Hearing Officers, the Chief Hearing Officer shall assign a Hearing Officer to preside over the disciplinary proceeding and shall serve the Parties with notice of the Hearing Officer's assignment pursuant to IEX Rule 9.132.

(b) Appointment of Panelists

As soon as practicable after assigning a Hearing Officer to preside over a disciplinary proceeding, the Chief Hearing Officer shall appoint Panelists pursuant to IEX Rules 9.231 and 9.232 to a Hearing Panel or, if the Chief Hearing Officer determines that an Extended Hearing Panel should be appointed, to an Extended Hearing Panel.

Rule 9.214. Consolidation or Severance of Disciplinary Proceedings

(a) Consolidation Initiated by Chief Hearing Officer

The Chief Hearing Officer may order the consolidation of two or more disciplinary proceedings, upon his or her own motion, under circumstances where such consolidation would further the efficiency of the disciplinary process, and where the subject complaints involve common questions of law or fact, or one or more of the same Respondents. In determining whether to order the consolidation of such disciplinary proceedings, the Chief Hearing Officer shall consider:

(1) whether the same or similar evidence reasonably would be expected to be offered at each of the hearings;

(2) whether the proposed consolidation would conserve the time and resources of the Parties; and

(3) whether any unfair prejudice would be suffered by one or more Parties as a result of the consolidation.

If the Chief Hearing Officer proposes to consolidate two or more disciplinary proceedings, the Chief Hearing Officer shall serve upon the Parties notice of the proposed consolidation of disciplinary proceedings, together with a copy of each relevant complaint and any answer that has been filed thereto, pursuant to IEX Rule 9.132. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to consolidation.

(b) Consolidation Initiated by a Party

A Party may file a motion to consolidate two or more disciplinary proceedings if such consolidation would further the efficiency of the disciplinary process, if the subject complaints involve common questions of law or fact or one or more of the same Respondents, or if one or more of the factors favoring consolidation set forth in paragraph (a) appear to be present. If a Party moves to consolidate two or more disciplinary proceedings, the Party shall file such motion, together with a copy of each relevant complaint and any answer thereto that has been filed, with the Office of Hearing Officers, and, pursuant to IEX Rule 9.133, shall serve the same upon the Parties in each of the cases proposed to be consolidated. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to consolidation, and shall serve the response upon the Parties in each of the cases proposed to be consolidated. The Chief Hearing Officer shall issue an order approving or denying the request for consolidation.

(c) Impact on Hearing Panel or Extended Hearing Panel

If the Chief Hearing Officer issues an order to consolidate two or more disciplinary proceedings for which Hearing Panels or, if applicable, Extended Hearing Panels, have been appointed, the Chief Hearing Officer's order shall specify which Hearing Panel or, if applicable, Extended Hearing Panel, shall preside over the consolidated disciplinary

proceeding, or shall appoint a new Hearing Panel or, if applicable, Extended Hearing Panel, to preside, based on the criteria set forth in IEX Rules 9.231 and 9.232.

(d) Severance Initiated by Chief Hearing Officer

The Chief Hearing Officer may order the severance of a disciplinary proceeding into two or more disciplinary proceedings, upon his or her own motion. In determining whether to order the severance of such disciplinary proceedings, the Chief Hearing Officer shall consider:

(1) whether the same or similar evidence reasonably would be expected to be offered at each of the possible hearings;

(2) whether the severance would conserve the time and resources of the Parties; and

(3) whether any unfair prejudice would be suffered by one or more Parties if the severance is (not) ordered.

If the Chief Hearing Officer proposes to sever a disciplinary proceeding, the Chief Hearing Officer shall serve upon the Parties notice of the proposed severance of disciplinary proceedings pursuant to IEX Rule 9.132. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to severance.

(e) Severance Initiated by a Party

A Party may file a motion to sever a disciplinary proceeding if one or more of the factors favoring severance set forth in paragraph (d) above appear to be present. If a Party moves to sever a disciplinary proceeding, the Party shall file such motion with the Office of Hearing Officers, and, pursuant to IEX Rule 9.133, shall serve the same upon each of the parties to the action proposed to be severed. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to severance, and shall serve the response upon the Parties in the case proposed to be severed. The Chief Hearing Officer shall issue an order approving or denying the request for severance.

(f) Impact on Hearing Panel or Extended Hearing Panel of Severance

If the Chief Hearing Officer issues an order to sever a disciplinary proceeding for which a Hearing Panel or, if applicable, Extended Hearing Panel, has been appointed, the Chief Hearing Officer's order shall specify whether the same Hearing Panel or, if applicable, Extended Hearing Panel, shall preside over the severed disciplinary proceedings, or shall appoint a new Hearing Panel(s) or, if applicable, Extended Hearing Panel(s), to preside over any or all of the severed proceedings, based on the criteria set forth in IEX Rules 9.231 and 9.232.

Rule 9.215. Answer to Complaint

(a) Form, Service, Notice

Pursuant to IEX Rule 9.133, each Respondent named in a complaint shall serve an answer to the complaint on all other Parties within 25 days after service of the complaint on such Respondent, and at the time of service shall file such answer with the Office of Hearing Officers pursuant to IEX Rules 9.135, 9.136 and 9.137. The Hearing Officer assigned to a disciplinary proceeding pursuant to IEX Rule 9.213 may extend such period for good cause. Upon the receipt of a Respondent's answer, the Office of Hearing Officers shall promptly send written notice of the receipt of such answer to all Parties.

(b) Content, Affirmative Defenses

Unless otherwise ordered by the Hearing Officer, an answer shall specifically admit, deny, or state that the Respondent does not have and is unable to obtain sufficient information to admit or deny, each allegation in the complaint. When a Respondent intends to deny only part of an allegation, the Respondent shall specify so much of it as is admitted and deny only the remainder. A statement of lack of information shall be deemed a denial. Any allegation not denied in whole or in part shall be deemed admitted. Any affirmative defense shall be asserted in the answer.

(c) Motion for More Definite Statement

A Respondent may file with an answer a motion for a more definite statement of specified matters of fact or law to be considered or determined. Such motion shall state why each such matter of fact or law should be required to be made more definite. If the motion is granted, the order granting such motion shall set the periods for filing such a statement and any answer thereto.

(d) Amendments to Answer

Upon motion by a Respondent, the Hearing Officer may, after considering good cause shown by the Respondent and any unfair prejudice which may result to any other Party, permit an answer to be amended.

(e) Extension of Time to Answer Amended Complaint

If a complaint is amended pursuant to IEX Rule 9.212(b), the time for filing an answer or amended answer shall be the greater of the original time period within which the Respondent is required to respond, or 14 days after service of the amended complaint. If any Respondent has already filed an answer, such Respondent shall have 14 days after service of the amended complaint, unless otherwise ordered by the Hearing Officer, within which to file an amended answer.

(f) Failure to Answer, Default

If a Respondent does not file an answer or make any other filing or request related to the complaint with the Office of Hearing Officers within the time required, the Department of Enforcement or the Department of Market Regulation shall send a second notice to such Respondent requiring an answer within 14 days after service of the second notice. The second notice shall state that failure of the Respondent to reply within the period specified shall allow the Hearing Officer, in the exercise of his or her discretion, pursuant to IEX Rule 9.269 to: (1) treat as admitted by the Respondent the allegations in the complaint; and (2) issue a default decision against the Respondent. If the Respondent fails to file an answer with the Office of Hearing Officers within the time required, the Hearing Officer may issue a default decision against the Respondent pursuant to IEX Rule 9.269.

Rule 9.216. Acceptance, Waiver, and Consent; Plan Pursuant to Exchange Act Rule 19d-1(c)(2)

(a) Acceptance, Waiver, and Consent Procedures

(1) Notwithstanding Rule 9.211, if the Department of Enforcement or the Department of Market Regulation has reason to believe a violation has occurred and the Member or associated person does not dispute the violation, the Department of Enforcement or the Department of Market Regulation may prepare and request that the Member or associated person execute a letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such Member's or associated person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the IEX Appeals Committee, the SEC, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by IEX Regulation staff.

(2) (A) If a Member or person associated with a Member submits an executed letter of acceptance, waiver, and consent, by the submission such Member or person associated with a Member also waives:

(i) any right of such Member or person associated with a Member to claim bias or prejudgment of the General Counsel, CRO, the IEX Appeals Committee, or any Member of the IEX Appeals Committee, in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of

acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent; and

(ii) any right of such Member or person associated with a Member to claim that a person violated the ex parte prohibitions of IEX Rule 9.143 or the separation of functions prohibitions of IEX Rule 9.144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(B) If a letter of acceptance, waiver, and consent is rejected, the Member or associated person shall be bound by the waivers made under paragraphs (a)(1) and (a)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the letter of acceptance, waiver, and consent was executed and submitted and ending upon the rejection of the letter of acceptance, waiver, and consent.

(3) If the Member or associated person executes the letter of acceptance, waiver, and consent, it shall be submitted to the Office of Disciplinary Affairs. The Office of Disciplinary Affairs may, on behalf of the IEX Board, accept or reject such letter.

(4) If the letter is accepted by the Office of Disciplinary Affairs, it shall be deemed final and shall constitute the complaint, answer, and decision in the matter. If the letter is rejected by the Office of Disciplinary Affairs, IEX, or FINRA on its behalf, may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the Member or associated person shall not be prejudiced by the execution of the letter of acceptance, waiver, and consent under paragraph (a)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

(b) Procedure for Violation Under Plan Pursuant to Exchange Act Rule 19d-1(c)(2)

(1) Notwithstanding IEX Rule 9.211, IEX or FINRA on its behalf, may, subject to the requirements set forth in paragraphs (b)(2) through (b)(4) and in Exchange Act Rule 19d-1(c)(2), impose a fine (not to exceed $2,500) and/or a censure on any Member or associated person with respect to any rule listed in IEX Rule 9.217. If the Department of Enforcement or the Department of Market Regulation has reason to believe a violation has occurred and if the Member or associated person does not dispute the violation, the Department of Enforcement or the Department of Market Regulation may prepare and request that the Member or associated person execute a minor rule violation plan letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such Member's or associated person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the IEX Appeals Committee, the Board, the SEC, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by IEX Regulation staff.

(2) (A) If a Member or person associated with a Member submits an executed minor rule violation plan letter, by the submission such Member or person associated with a Member also waives:

(i) any right of such Member or person associated with a Member to claim bias or prejudgment of the General Counsel, CRO, the IEX Appeals Committee, or any Member of the IEX Appeals Committee, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter; and

(ii) any right of such Member or person associated with a Member to claim that a person violated the ex parte prohibitions of IEX Rule 9.143 or the separation of functions prohibitions of IEX Rule 9.144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.

(B) If a minor rule violation plan letter is rejected, the Member or person associated with a Member shall be bound by the waivers made under paragraphs (b)(1) and (b)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the minor rule violation plan letter was executed and submitted and ending upon the rejection of the minor rule violation plan letter.

(3) If the Member or associated person executes the minor rule violation plan letter, it shall be submitted to the Office of Disciplinary Affairs. The Office of Disciplinary Affairs may, on behalf of the IEX Board, accept or reject such letter.

(4) If the letter is accepted by the Office of Disciplinary Affairs, it shall be deemed final and IEX shall report the violation to the SEC as required by the SEC pursuant to a plan approved under Exchange Act Rule 19d-1(c)(2). If the letter is rejected by the Office of Disciplinary Affairs, IEX, or FINRA on its behalf, may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the Member or associated person shall not be prejudiced by the execution of the minor rule violation plan letter under paragraph (b)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

Rule 9.217. Reserved.

Rule 9.218. Reserved.

Rule 9.219. Reserved.

Rule Series 9.220. REQUEST FOR HEARING; EXTENSIONS OF TIME, POSTPONEMENTS, ADJOURNMENTS

Rule 9.221. Request for Hearing

(a) Respondent Request for Hearing.

With the filing of any Respondent's answer, such Respondent may:

(1) request a hearing;

(2) propose an appropriate location for the hearing; and

(3) propose, if applicable, an Extended Hearing Panel as described in IEX Rule 9.231.

If a Respondent requests a hearing, a hearing shall be granted. A Respondent who fails to request a hearing with the filing of his or her answer waives the right to a hearing unless a Hearing Officer, Hearing Panel, or, if applicable, an Extended Hearing Panel, grants, for good cause shown, a later filed motion by such Respondent requesting a hearing.

(b) Hearing Officer Order Requiring Hearing

In the absence of a request for a hearing from any Respondent, the Hearing Officer may order any complaint set down for hearing.

(c) Authority of Hearing Panel, Extended Hearing Panel to Order Hearing

If all Respondents waive a hearing, and the Hearing Officer does not order a hearing on his or her own motion, the Hearing Panel or, if applicable, the Extended Hearing Panel, may order a hearing or may consider the matter on the record, as defined in IEX Rule 9.267. If fewer than all Respondents waive a hearing, the Hearing Officer, the Hearing Panel, or, if applicable, the Extended Hearing Panel, may, in the exercise of its discretion, order that a hearing be held as to all Respondents. Alternatively, the Hearing Officer, the Hearing Panel, or, if applicable, the Extended Hearing Panel, may conduct a hearing as to only those Respondents who requested a hearing and consider the matter on the record as to those Respondents who waived a hearing.

(d) Notice of Hearing

The Hearing Officer shall issue a notice stating the date, time, and place of the hearing, and whether the hearing shall be held before a Hearing Panel or an Extended Hearing Panel, and shall serve such notice on the Parties at least 28 days before the hearing, unless:

(1) in the discretion of the Hearing Officer, he or she determines that extraordinary circumstances require a shorter notice period; or

(2) the Parties waive the notice period.

Rule 9.222. Extensions of Time, Postponements, and Adjournments

(a) Availability

At any time prior to the issuance of the decision of the Hearing Panel or, if applicable, the Extended Hearing Panel, the Hearing Officer may, for good cause shown, extend or shorten any time limits prescribed by the Code for the filing of any papers and may, consistent with paragraph (b), postpone or adjourn any hearing.

(b) Limitations on Postponements, Adjournments, and Extensions

A hearing shall begin at the time and place ordered, unless the Hearing Officer, for good cause shown, changes the place of the hearing, postpones the commencement of the hearing, or adjourns a convened hearing for a reasonable period of time, subject to the limitations in paragraph (b)(2) below.

(1) Additional Considerations

In considering a motion for the postponement of the start of a hearing or, adjournment once a hearing has begun, the Hearing Officer shall consider:

(A) the length of the proceeding to date;

(B) the number of postponements, adjournments, or extensions already granted;

(C) the stage of the proceedings at the time of the request;

(D) potential harm to the investing public if an extension of time, adjournment, or postponement is granted; and

(E) such other matters as justice may require.

(2) Time Limit

Postponements, adjournments, or extensions of time for filing papers shall not exceed 28 days unless the Hearing Officer states on the record or provides by written order the reasons a longer period is necessary.

Rule Series 9.230. APPOINTMENT OF HEARING PANEL, EXTENDED HEARING PANEL

Rule 9.231. Appointment by the Chief Hearing Officer of Hearing Panel or Extended Hearing Panel or Replacement Hearing Officer

(a) Appointment

The Chief Hearing Officer shall appoint a Hearing Panel or an Extended Hearing Panel to conduct the disciplinary proceeding and issue a decision.

(b) Hearing Panel

The Hearing Panel shall be composed of a Hearing Officer and two Panelists, except as provided in paragraph (e) of this IEX Rule 9.231 and in IEX Rule 9.234 (a), (c), (d), or (e). The Hearing Officer shall serve as the chair of the Hearing Panel. Each Panelist shall be associated with a Member of IEX or retired therefrom.

(c) Extended Hearing Panel

Upon consideration of the complexity of the issues involved, the probable length of the hearing, or other factors that the Chief Hearing Officer deems material, the Chief Hearing Officer may determine that a matter shall be designated an Extended Hearing, and that such matter shall be considered by an Extended Hearing Panel. The Extended Hearing Panel shall be composed of a Hearing Officer and two Panelists, except as provided in IEX Rule 9.234(a), (c), (d), or (e). The Hearing Officer will serve as the chair of the Extended Hearing Panel. The Panelists shall be associated with an IEX Member, or retired therefrom. The Chief Hearing Officer shall have discretion in consultation with IEX to compensate any or all Panelists of an Extended Hearing Panel at the rate then in effect for FINRA arbitrators as referenced in Chapter 12.

(d) Observer

A person who is qualified to serve as a Panelist may be designated by the Chief Hearing Officer to serve as an observer to a Hearing Panel or an Extended Hearing Panel. If the Chief Hearing Officer designates more than two people to serve as observers to a Hearing Panel or an Extended Hearing Panel, the Chief Hearing Officer shall obtain the consent of the Parties. An observer may attend any hearing of a disciplinary proceeding and observe the proceeding, but may not vote or participate in any other manner in the hearing or the deliberations of the Hearing Panel or the Extended Hearing Panel, or participate in the administration of the disciplinary proceeding.

(e) Appointment of Replacement Hearing Officer

In the event that a Hearing Officer withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer shall appoint a replacement Hearing Officer. To ensure fairness to the parties and expedite completion of the proceeding when a replacement Hearing Officer is appointed after the hearing has commenced, the replacement Hearing Officer has discretion to exercise the following powers:

(1) Allow the Hearing Panelists to resolve the issues in the proceeding and issue a decision without the participation of the replacement Hearing Officer in the decision. The replacement Hearing Officer may advise the Hearing Panelists regarding legal issues, and shall exercise the powers of the Hearing Officer under IEX Rule 9.235(a), including preparing and signing the decision on behalf of the Hearing Panel, in accordance with IEX Rule 9.268; or

(2) Certify familiarity with the record and participate in the resolution of the issues in the case and in the issuance of the decision. In exercising this power, the replacement Hearing Officer may recall any witness before the Hearing Panel.

Rule 9.232. Criteria for Selection of Panelists and Replacement Panelists

(a) Each Panelist shall be a person of integrity and judgment and, other than the Hearing Officer, shall be a Member of the IEX hearing board as provided in paragraph (b). At least one Panelist shall be engaged in securities activities differing from that of the Respondent, or, if retired, was so engaged in differing activities at the time of retirement.

(b) The Chairman of the Exchange Board of Directors, subject to the approval of the Board, shall from time to time appoint a hearing board to be composed of such number of persons associated with an IEX Member or retired therefrom, who are not members of the Board. The members of the hearing board shall be appointed annually and shall serve at the pleasure of the Board.

(c) Criteria for Appointment of a Panelist

The Chief Hearing Officer shall select Panelists from the current members of the IEX hearing board based upon the following criteria:

(1) expertise;

(2) the absence of any conflict of interest or bias, and any appearance thereof;

(3) availability; and,

(4) the frequency with which a person has served as a Panelist on a Hearing Panel or an Extended Hearing Panel during the past two years, favoring the selection of a person as a Panelist who has never served or served infrequently as a Panelist during the period.

Rule 9.233. Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Hearing Officers

(a) Recusal, Withdrawal of Hearing Officer

If at any time a Hearing Officer determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, the Hearing Officer shall notify the Chief Hearing Officer and the Chief Hearing Officer shall issue and serve on the Parties a notice stating that the Hearing Officer has withdrawn from the matter. In the event that a Hearing Officer withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer shall appoint a replacement Hearing Officer. In such a case, the replacement Hearing Officer shall proceed according to IEX Rule 9.231(e).

(b) Motion for Disqualification

A Party may move for the disqualification of a Hearing Officer. A motion shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Hearing Officer's fairness might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts. Such motions shall be filed not later than 15 days after the later of:

(1) when the Party learned of the facts believed to constitute the disqualification; or

(2) when the Party was notified of the assignment of the Hearing Officer.

(c) Disposition of Disqualification Motion

A motion for disqualification of a Hearing Officer shall be decided by the Chief Hearing Officer who shall promptly investigate whether disqualification is required and issue a written ruling on the motion. In the event of a disqualification of the Hearing Officer, the Chief Hearing Officer shall appoint a replacement Hearing Officer.

Rule 9.234. Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Panelists

(a) Recusal, Withdrawal of Panelist

If at any time a Panelist of a Hearing Panel or an Extended Hearing Panel determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, the Panelist shall notify the Hearing Officer and the Hearing Officer shall issue and serve on the Parties a notice stating that the Panelist has withdrawn from the matter. In the event that a Panelist withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer may, in the exercise of discretion, determine whether to appoint a replacement Panelist. In the event that both Panelists withdraw, are incapacitated, or otherwise are unable to continue service after being appointed, the Chief Hearing Officer shall appoint two replacement Panelists.

(b) Disqualification: Motion of Party; Order of Chief Hearing Officer

(1) A Party may file a motion to disqualify a Panelist of a Hearing Panel or an Extended Hearing Panel. A motion shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Panelist's fairness might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts.

(2) Such motions shall be filed not later than 15 days after the later of:

(A) when the Party learned of the facts believed to constitute the disqualification; or

(B) when the Party was notified of the appointment of the Panelist.

(3) The Chief Hearing Officer may order the disqualification of a Panelist of a Hearing Panel or an Extended Hearing Panel if the Chief Hearing Officer determines that a conflict of interest or bias exists or circumstances otherwise exist where the Panelist's fairness might reasonably be questioned, and shall state the facts constituting the grounds for disqualification.

(c) Disposition of Disqualification Motion: Challenge to Single Member of Hearing Panel

If a Party files a motion to disqualify a Panelist of a Hearing Panel or an Extended Hearing Panel, the Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event a Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist.

(d) Disposition of Disqualification Motion: Challenge to Both Panelists of Hearing Panel or Extended Hearing Panel

If a Party files a motion to disqualify both Panelists of a Hearing Panel or an Extended Hearing Panel, the Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event one Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist. In the event both Panelists are disqualified, the Chief Hearing Officer shall promptly appoint two persons as replacement Panelists.

(e) Disposition of Disqualification Motion: Challenge to Both Panelists of Hearing Panel or Extended Hearing Panel and Hearing Officer

If a Party files a motion to disqualify both Panelists of a Hearing Panel or an Extended Hearing Panel, and the Hearing Officer, the Chief Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event a Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist. In the event both Panelists are disqualified, the Chief Hearing Officer shall

promptly appoint two persons as replacement Panelists. In the event a Hearing Officer and a Panelist are disqualified, the Chief Hearing Officer shall promptly appoint a replacement Hearing Officer. In the event both Panelists and the Hearing Officer are disqualified, the Chief Hearing Officer shall promptly appoint a replacement Hearing Officer and two persons as replacement Panelists.

(f) Criteria for Replacement Panelist

If the Chief Hearing Officer appoints a replacement Panelist by operation of this IEX Rule 9.234, the Chief Hearing Officer shall do so using the criteria set forth in IEX Rule 9.232.

Rule 9.235. Hearing Officer Authority

(a) Hearing Officer Authority

The Hearing Officer shall be selected by the Chief Hearing Officer and shall have authority to do all things necessary and appropriate to discharge his or her duties. In addition to the powers exercised by all members of the Hearing Panel or, if applicable, the Extended Hearing Panel, the powers of the Hearing Officer include, but are not limited to:

(1) holding pre-hearing and other conferences and requiring the attendance at any such conference of at least one representative of each Party who has authority to negotiate the resolution of issues in controversy;

(2) regulating the course of the hearing;

(3) ordering the Parties to present oral arguments at any stage of the disciplinary proceeding;

(4) resolving any and all procedural and evidentiary matters, discovery requests, and other non-dispositive motions, subject to any limitations set forth elsewhere in the Code;

(5) reopening any hearing, upon notice to all Parties, prior to the issuance of the decision of the Hearing Panel or, if applicable, the Extended Hearing Panel;

(6) creating and maintaining the official record of the disciplinary proceeding; and

(7) drafting a decision that represents the views of the majority of the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Authority in the Absence of Hearing Officer

If the Hearing Officer appointed to a case is temporarily unavailable or unable for any reason to discharge his or her duties in a particular proceeding under conditions not requiring the appointment of a replacement Hearing Officer, the Chief Hearing Officer or the Deputy Chief Hearing Officer in his or her discretion may exercise the necessary authority in the same manner as if he or she had been appointed Hearing Officer in the particular proceeding.

Rule Series 9.240. PRE-HEARING CONFERENCE AND SUBMISSION

Rule 9.241. Pre-hearing Conference

(a) Purposes

The purposes of a pre-hearing conference include, but are not limited to:

(1) expediting the disposition of the proceeding;

(2) establishing procedures to manage the proceeding efficiently; and

(3) improving the quality of the hearing through more thorough preparation.

(b) Procedure

On his or her own motion or at the request of a Party, the Hearing Officer may, in his or her discretion, order counsel or any Party to meet for a pre-hearing conference. Such conferences also may be held with one or more persons participating by telephone or other remote means.

(c) Subjects to be Discussed

At a pre-hearing conference, the Hearing Officer shall schedule an expedited proceeding as required by IEX Rule 9.290, and may consider and take action with respect to any or all of the following:

(1) simplification and clarification of the issues;

(2) exchange of witness and exhibit lists and copies of exhibits;

(3) stipulations, admissions of fact, and stipulations concerning the contents, authenticity, or admissibility into evidence of documents;

(4) matters of which official notice may be taken;

(5) the schedule for exchanging pre-hearing motions or briefs, if any;

(6) the method of service and filing of papers by the Parties;

(7) determination of hearing dates;

(8) amendments to the complaint or answers thereto;

(9) production of documents as set forth in IEX Rule 9.251;

(10) designation of relevant portions of transcripts from investigative testimony or other proceedings and the inclusion of an index for such testimony; and

(11) such other matters as may aid in the orderly and expeditious disposition of the proceeding.

(d) Scheduling

An initial pre-hearing conference, unless determined by the Hearing Officer to be unnecessary or premature, shall be held within 21 days after filing of an answer, or after the expiration of the second period provided for filing an answer as set forth in IEX Rule 9.215(f). When a complaint names multiple Respondents, the 21-day period shall commence from the later of (i) the date on which the last timely answer was filed, or (ii) if one or more Respondents have failed to answer, from the expiration of the second period provided for filing an answer under IEX Rule 9.215 (f).

(e) Pre-hearing Order

At or following the conclusion of any conference held pursuant to this IEX Rule, the Hearing Officer shall enter a written ruling or order that recites any agreements reached and any procedural determinations made by the Hearing Officer.

(f) Failure to Appear: Default

The Hearing Officer may issue a default decision, pursuant to IEX Rule 9.269, against a Party that fails to appear, in person or through counsel or a representative, at a pre-hearing conference of which the Party has due notice.

Rule 9.242. Pre-Hearing Submission

(a) Requirement to Furnish Information

Prior to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, the Hearing Officer, in the exercise of his or her discretion, may order a Party to furnish to all other Parties and the Hearing Panel or, if applicable, the Extended Hearing Panel, such information as deemed appropriate, including any or all of the following:

(1) an outline or narrative summary of a Party's case or defense;

(2) the legal theories upon which a Party shall rely;

(3) a list and copies of documents that a Party intends to introduce at the hearing;

(4) a list of witnesses who shall testify on a Party's behalf, including the witnesses' names, occupations, addresses, and a brief summary of their expected testimony; and,

(5) if a witness shall be called to testify as an expert, a statement of the expert's qualifications, a listing of other proceedings in which the expert has given expert testimony, a list of the expert's publications, and copies of those publications that are not readily available to the other Parties and the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Reserved

Rule Series 9.250. DISCOVERY

Rule 9.251. Inspection and Copying of Documents in Possession of Staff

(a) Documents to be Available for Inspection and Copying

(1) Unless otherwise provided by this IEX Rule, or by order of the Hearing Officer, the Department of Enforcement or the Department of Market Regulation shall make available for inspection and copying by any Respondent, Documents prepared or obtained by Interested Staff in connection with the investigation that led to the institution of proceedings. Such Documents include but are not limited to:

(A) requests for information issued pursuant to IEX Rule 8.210;

(B) every other written request directed to persons not employed by IEX to provide Documents or to be interviewed;

(C) the Documents provided in response to any such requests described in (A) and (B) above;

(D) all transcripts and transcript exhibits; and

(E) all other Documents obtained from persons not employed by IEX.

(2) The Department of Enforcement or the Department of Market Regulation shall promptly inform the Hearing Officer and each other Party if, after the issuance of a complaint, requests for information under IEX Rule 8.210 are issued under the same investigative file number under which the investigation leading to the institution of disciplinary proceedings was conducted. If Interested Staff receive Documents pursuant to a request for information under IEX Rule 8.210 after Documents have been made available to a Respondent for inspection and copying as set forth in paragraph (a), and if such Documents are material and relevant to the disciplinary proceeding in which such Respondent is a Party, the additional Documents shall be made available to the Respondent not later than 14 days after the Interested Staff receives such Documents. If a hearing on the merits is scheduled to begin, Interested Staff shall make the additional Documents available to the Respondent not less than ten days before the hearing. If Interested Staff receives such Documents ten or fewer days before a hearing on the merits is scheduled to begin or after such hearing begins, Interested Staff shall make the additional Documents available immediately to the Respondent.

(3) Nothing in paragraph (a)(1) above shall limit the discretion of the Department of Enforcement or the Department of Market Regulation to make available any other Document or the authority of the Hearing Officer to order the production of any other Document.

(b) Withheld Documents

(1) The Department of Enforcement or the Department of Market Regulation may withhold a Document if:

(A) the Document is privileged or constitutes attorney work product;

(B) the Document is an examination or inspection report, an internal memorandum, or other note or writing prepared by a FINRA or IEX employee that shall not be offered in evidence;

(C) the Document would disclose (i) an examination, investigatory or enforcement technique or guideline of FINRA or IEX, a federal, state, or foreign regulatory authority, or a self-regulatory organization; (ii) the identity of a source, including a federal, state, or foreign regulatory authority or a self-regulatory organization that furnished information or was furnished information on a confidential basis regarding an investigation, an examination, an enforcement proceeding, or any other type of civil or criminal enforcement action; or (iii) an examination, an investigation, an enforcement proceeding, or any other type of civil or criminal enforcement action under consideration by, or initiated by, IEX, a federal, state, or foreign regulatory authority, or a self-regulatory organization; or

(D) the Hearing Officer grants leave to withhold a Document or category of Documents as not relevant to the subject matter of the proceeding, or for other good cause shown.

(2) The Department of Enforcement or the Department of Market Regulation shall withhold a Document if the Document is prohibited from disclosure by federal law.

(3) Nothing in paragraph (b)(1) above authorizes the Department of Enforcement or the Department of Market Regulation to withhold a Document, or a part thereof, that contains material exculpatory evidence.

(c) Withheld Document List

The Hearing Officer may require the Department of Enforcement or the Department of Market Regulation to submit to the Hearing Officer a list of Documents withheld pursuant to paragraph (b) or to submit to the Hearing Officer any Document withheld. Upon review, the Hearing Officer may order the Department of Enforcement or the Department of Market Regulation to make the list or any Document withheld available to the other Parties for inspection and copying unless federal law prohibits disclosure of the Document or its existence. A motion to require the Department of Enforcement or the Department of Market Regulation to produce a list of Documents withheld pursuant to paragraph (b) shall be based upon some reason to believe that a Document is being withheld in violation of the Code.

(d) Timing of Inspection and Copying

The Hearing Officer shall determine the schedule of production of documents pursuant to this IEX Rule. Unless otherwise ordered by the Hearing Officer, the Department of Enforcement or the Department of Market Regulation shall commence making Documents available to a Respondent for inspection and copying pursuant to this IEX Rule not later than 21 days after service of the Respondent's answer or, if there are multiple Respondents, not later than 21 days after the last timely answer is filed. If a Respondent in a multi-Respondent case fails to answer, the Department of Enforcement or the Department of Market Regulation shall make Documents available to all other Respondents not later than the later of:

(1) 21 days after the filing date of the last timely answer, or

(2) the expiration of the second period provided for filing an answer as set forth in IEX Rule 9.215(f).

(e) Place and Time of Inspection and Copying

Documents subject to inspection and copying pursuant to this IEX Rule 9.251 shall be made available to the Respondent for inspection and copying at the IEX or FINRA office where they are ordinarily maintained, or at such other FINRA office as the Hearing Officer, in his or her discretion, shall designate, or as the Parties otherwise agree. A Respondent shall be given access to the Documents at IEX's or FINRA's offices during normal business hours. A Respondent shall not be given custody of the Documents or be permitted to remove the Documents from IEX's or FINRA's offices.

(f) Copying Costs

A Respondent may obtain a photocopy of all Documents made available for inspection. A Respondent shall be responsible for the cost of photocopying. Unless otherwise ordered, charges for copies made at the request of a Respondent shall be at a rate to be established by IEX.

(g) Failure to Make Documents Available — Harmless Error

In the event that a Document required to be made available to a Respondent pursuant to this IEX Rule is not made available by the Department of Enforcement or the Department of Market Regulation, no rehearing or amended decision of a proceeding already heard or decided shall be required unless the Respondent establishes that the failure to make the Document available was not harmless error. The Hearing Officer, or, upon appeal or review, the IEX Appeals Committee, shall determine whether the failure to make the document available was not harmless error, applying applicable IEX, FINRA, SEC, and federal judicial precedent.

Rule 9.252. Requests for Information

(a) Content and Timing of Requests

A Respondent who requests that IEX invoke IEX Rule 8.210 to compel the production of Documents or testimony at the hearing shall do so in writing and serve copies on all Parties. Such request shall: be submitted to the Hearing Officer no later than 21 days before the scheduled hearing date; describe with specificity the Documents, the category or type of Documents, or the testimony sought; state why the Documents, the category or type of Documents, or the testimony are material; describe the requesting Party's previous efforts to obtain the Documents, the category or type of Documents, or the testimony through other means; and state whether the custodian of each Document, or the custodian of the category or type of Documents, or each proposed witness is subject to IEX 's jurisdiction.

(b) Standards for Issuance

A request that IEX compel the production of Documents or testimony shall be granted only upon a showing that: the information sought is relevant, material, and non-cumulative; the requesting Party has previously attempted in good faith to obtain the desired Documents and testimony through other means but has been unsuccessful in such efforts; and each of the persons from whom the Documents and testimony are sought is subject to IEX's jurisdiction. In addition, the Hearing Officer shall consider whether the request is unreasonable, oppressive, excessive in scope, or unduly burdensome, and whether the request should be denied, limited, or modified.

(c) Limitations on Requests

If, after consideration of all the circumstances, the Hearing Officer determines that a request submitted pursuant to this IEX Rule is unreasonable, oppressive, excessive in scope, or unduly burdensome, he or she shall deny the request, or grant it only upon such conditions as fairness requires. In making the foregoing determination, the Hearing Officer may inquire of the other Parties whether they shall stipulate to the facts sought to be proved by the Documents or testimony sought. If the Hearing Officer grants the request, the Hearing Officer shall order that requested Documents be produced to all Parties not less than ten days before the hearing, and order that witnesses whose testimony was

requested appear and testify at the hearing. If the Hearing Officer grants the request ten or fewer days before a hearing on the merits is scheduled to begin or after such hearing begins, the Documents or testimony shall be produced immediately to all Parties.

Rule 9.253. Production of Witness Statements

(a) Availability

Notwithstanding the provisions of IEX Rule 9.251(b),

(1) A Respondent in a disciplinary proceeding may file a motion requesting that the Department of Enforcement or the Department of Market Regulation produce for inspection and copying any statement of any person called or to be called as a witness by the Department of Enforcement or the Department of Market Regulation that pertains, or is expected to pertain, to his or her direct testimony and which is "a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement made by said witness and recorded contemporaneously with the making of such oral statement," as that phrase is used in 18 U.S.C. § 3500(e)(2).

(2) A Respondent in a disciplinary proceeding may also file a motion requesting that the Department of Enforcement or the Department of Market Regulation produce for inspection and copying any contemporaneously written statement made by an Interested Staff member during a routine examination or inspection about the substance of oral statements made by a non-IEX person when (a) either the Interested Staff member or non-IEX person is called as a witness by the Department of Enforcement or the Department of Market Regulation, and (b) that portion of the statement for which production is sought directly relates to the Interested Staff member's testimony or the testimony of the non-IEX witness.

(b) Failure to Produce — Harmless Error

In the event that a statement required to be made available for inspection and copying by a Respondent is not provided by the Department of Enforcement or the Department of Market Regulation, there shall be no rehearing of a proceeding already heard, or issuance of an amended decision in a proceeding already decided, unless the Respondent establishes that the failure to provide the statement was not harmless error. The Hearing Officer, or upon appeal or review, the IEX Appeals Committee, shall determine whether the failure to provide any statement was not harmless error, applying applicable IEX, FINRA, SEC, and federal judicial precedent.

Rule Series 9.260. HEARING AND DECISION

Rule 9.261. Evidence and Procedure in Hearing

(a) Submission of Documentary Evidence and List of Witnesses Before Hearing

No later than ten days before the hearing, or at such earlier date as may be specified by the Hearing Officer, each Party shall submit to all other Parties and to the Hearing Officer copies of documentary evidence and the names of the witnesses each Party intends to present at the hearing. The documentary evidence submitted by the Parties prior to the hearing pursuant to this paragraph shall not become part of the record, unless the Hearing Officer, Hearing Panel, or Extended Hearing Panel orders some or all of it included pursuant to IEX Rule 9.267(a)(8). The Hearing Officer may order each Party to refrain from submitting its documentary evidence to the Hearing Officer.

(b) Party's Right to Be Heard

If a hearing is held, a Party shall be entitled to be heard in person, by counsel, or by the Party's representative.

(c) Request to Submit Additional Evidence

Notwithstanding paragraph (a), a Party, for good cause shown, may seek to submit any additional evidence at the hearing as the Hearing Officer, in his or her discretion, determines may be relevant and necessary for a complete record.

Rule 9.262. Testimony

A person who is subject to the jurisdiction of IEX shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

Rule 9.263. Evidence: Admissibility

(a) Criteria for Receiving and Excluding Evidence

The Hearing Officer shall receive relevant evidence, and may exclude all evidence that is irrelevant, immaterial, unduly repetitious, or unduly prejudicial.

(b) Objections

Objections to the admission or exclusion of evidence shall be made on the record and shall succinctly state the grounds relied upon. Excluded material shall be deemed a supplemental document, which shall be attached to the record and retained under IEX Rule 9.267.

Rule 9.264. Motion for Summary Disposition

(a) Pre-hearing

After a Respondent's answer has been filed and Documents have been made available to that Respondent for inspection and copying pursuant to IEX Rule 9.251, the Respondent or the Department of Enforcement or the Department of Market Regulation, without leave of the Hearing Officer, may make a motion for summary disposition of any or all the causes of action in the complaint with respect to that Respondent, as well as any defense raised in a Respondent's answer. All pre-hearing motions for summary disposition and supporting papers shall be filed at least 21 days before the time set for the hearing, or at such earlier time as ordered by the Hearing Officer. Notwithstanding the provisions of IEX Rule 9.146(d), any opposition or response to a pre-hearing motion for summary disposition shall be filed at least seven days before the time set for the hearing.

(b) After Commencement of Hearing on Merits

After a hearing on the merits has commenced, a Respondent or the Department of Enforcement or the Department of Market Regulation may make a motion for summary disposition of any or all of the causes of action in the complaint with respect to that Respondent or defenses raised in that Respondent's answer only with leave of the Hearing Officer.

(c) Case Not Fully Adjudicated on Motion

If on motion under this IEX Rule a decision is not rendered upon the whole case or for all the relief asked and a hearing is necessary, the Hearing Panel or, if applicable, the Extended Hearing Panel, at the hearing of the motion, by examining the pleadings and the evidence before it and by questioning counsel, shall, if practicable, ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, and directing such further proceedings in the action as are just. Upon the hearing of the action the facts so specified shall be deemed established, and the hearing shall be conducted accordingly.

(d) Form of Papers

A motion for summary disposition pursuant to paragraph (a) shall be accompanied by the following: a statement of undisputed facts; a supporting memorandum of points and authorities; and affidavits or declarations that set forth such facts as would be admissible at the hearing and show affirmatively that the affiant is competent to testify to the matters stated therein. A memorandum of points and authorities in support or opposition shall not exceed 35 pages.

(e) Rulings on Motion

The Hearing Officer may promptly deny or defer decisions on any motion for summary disposition, however, only the Hearing Panel or, if applicable, the Extended Hearing Panel, may grant a motion for summary disposition, except the Hearing Officer may grant motions for summary disposition with respect to questions of jurisdiction. The Hearing Panel or, if applicable, the Extended Hearing Panel, may grant the motion for summary disposition if there is no genuine issue with regard to any material fact and the Party that files the motion is entitled to summary disposition as a matter of law. If a Party files a motion under paragraph (a), the facts alleged in the pleadings of the Party against whom the motion is made shall be taken as true, except as modified by stipulations or admissions made by the non-moving Party, by uncontested affidavits or declarations, or by facts officially noticed pursuant to IEX Rule 9.145. If a Party opposing a motion for summary disposition made under paragraph (a) cannot present, by affidavit prior to the hearing, facts essential to justify the Party's opposition to the motion, the Hearing Panel or, if applicable, the Extended Hearing Panel, may deny the motion for summary disposition or defer the decision on the motion.

Rule 9.265. Record of Hearing

(a) Recordation

A hearing shall be recorded by a court reporter and a transcript shall be prepared. Unless otherwise ordered by a Hearing Officer, a pre-hearing conference shall be recorded by a court reporter and a transcript shall be prepared.

(b) Availability of a Transcript

A transcript of a pre-hearing conference and a transcript of a hearing shall be available to a Party for purchase from the court reporter at prescribed rates. A witness may purchase from the court reporter a transcript of his or her own testimony.

(c) Transcript Correction

Prior to the filing of post-hearing briefs or proposed findings and conclusions, or within such earlier time as ordered by the Hearing Officer, a Party or witness may seek to correct his or her transcript. A proposed correction of the transcript shall be submitted to the Hearing Officer by affidavit. Upon notice to all Parties to the disciplinary proceeding, the Hearing Officer may order the correction to the transcript as requested or sua sponte.

Rule 9.266. Proposed Findings of Fact, Conclusions of Law, and Post-Hearing Briefs

(a) Discretion of Hearing Officer to Require Proposed Findings of Fact, Conclusions of Law, and Post-Hearing Briefs

At the discretion of the Hearing Officer, the Parties may be ordered to file proposed findings of facts and conclusions of law, or post-hearing briefs, or both. The Hearing Officer may order that such proposed findings and conclusions be filed together with, or as part of, post-hearing briefs.

(b) Reference to Record Required

Proposed findings of fact or other statements of fact in briefs shall be supported by specific references to the record.

(c) Period for Filing

In any case in which the Hearing Officer ordered the filing of proposed findings or conclusions of law, or post-hearing briefs, the Hearing Officer shall, after consultation with the Parties, prescribe the period within which proposed findings and conclusions of law and post-hearing briefs are to be filed. Such period shall be reasonable under all the circumstances but the total period allowed for the filing of post-hearing submissions shall not exceed 60 days after the conclusion of the hearing unless the Hearing Officer, for good cause shown, permits a different period and sets forth in an order the reasons why a longer period is necessary.

(d) Form, Length of Papers

Unless the Hearing Officer orders otherwise, each post-hearing submission shall not exceed 25 pages, exclusive of cover sheets, tables of contents, and tables of authorities.

Rule 9.267. Record; Supplemental Documents Attached to Record; Retention

(a) Contents of the Record, Retention

The record shall consist of:

(1) the complaint, answers, each notice of hearing, pre-hearing order, and any amendments thereto;

(2) each application, motion, submission, and other paper, and any amendments, motions, objections, and exceptions to or regarding them;

(3) each transcript of a pre-hearing conference and of a hearing, and each stipulation, transcript of testimony, Document, and other item admitted into evidence;

(4) each written communication accepted at the discretion of the Hearing Officer;

(5) with respect to a motion to disqualify a Hearing Officer under IEX Rule 9.233 or a Panelist under IEX Rule 9.234, each affidavit or transcript of testimony taken and the ruling made in connection with the request;

(6) all proposed findings and conclusions;

(7) each written ruling, order, and decision issued by the Chief Hearing Officer, Hearing Officer, Hearing Panel or, if applicable, Extended Hearing Panel; and,

(8) any other Document or item accepted into the record by the Hearing Officer, the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Supplemental Documents Attached To Record; Retention

(1) A supplemental Document attached to the record is any Document submitted to the Hearing Officer that did not become part of the record, including:

(A) a Document not admitted by the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel;

(B) any matter stricken from any filing or stricken during an oral presentation, including any matter stricken from any filing or stricken during any oral presentation because the Adjudicator determined it was scandalous or impertinent as provided in IEX Rule 9.136(e); and

(C) a list of Documents, if any, that a Respondent unsuccessfully sought by motion to inspect and copy under IEX Rule 9.251(c).

(2) A supplemental Document attached to the record shall not constitute part of the record, but shall be retained until the date upon which IEX's decision becomes final disciplinary action or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(c) Substitution of Copies

Parties may submit to the Hearing Officer for substitution a true copy of a Document in the record.

Rule 9.268. Decision of Hearing Panel or Extended Hearing Panel

(a) Majority Decision

Within 60 days after the final date allowed for filing proposed findings of fact, conclusions of law, and post-hearing briefs, or by a date established at the discretion of the Chief Hearing Officer, the Hearing Officer shall prepare a written decision that reflects the views of the Hearing Panel or, if applicable, the Extended Hearing Panel, as determined by majority vote.

(b) Contents of Decision

The decision shall include:

(1) a statement describing the investigative or other origin of the disciplinary proceeding, if not otherwise contained in the record;

(2) the specific statutory or rule provisions that were alleged to have been violated;

(3) a statement setting forth the findings of fact with respect to any act or practice the Respondent was alleged to have committed or omitted;

(4) the conclusions of the Hearing Panel, or Extended Hearing Panel, as to whether the Respondent violated any provision alleged in the complaint;

(5) a statement of the Hearing Panel, or the Extended Hearing Panel, in support of the disposition of the principal issues raised in the proceeding; and

(6) a statement describing any sanction imposed, the reasons therefor, and the date upon which such sanction shall become effective. Unless otherwise provided in the decision, the sanction(s) shall become effective pursuant to paragraph (f) of this IEX Rule.

(c) Dissenting Opinion

Within 65 days after the final date allowed for filing proposed findings of fact and conclusions of law, and post-hearings briefs, or by a date established at the discretion of the Chief Hearing Officer, the Hearing Officer or any Panelist may prepare a written dissenting opinion.

(d) Service, Notice, and Dissemination Requirements

The Office of Hearing Officers shall promptly serve the decision of the Hearing Panel, or the Extended Hearing Panel, and any dissenting opinion on the Parties; publish notice of the decision and any dissenting opinion in the Central Registration Depository; and provide a copy of the decision and any dissenting opinion to each IEX Member with which a Respondent is associated.

(e) Appeal or Review

If not timely appealed pursuant to IEX Rule 9.311 or timely called for review pursuant to IEX Rule 9.312, the majority decision shall constitute final disciplinary action of IEX for purposes of Rule 19d-1(c)(1) of the Act.

(f) Effectiveness of Sanctions

Unless otherwise provided in the majority decision issued under paragraph (a) of this IEX Rule 9.268:

(1) a sanction (other than a bar or an expulsion) specified in a decision constituting final disciplinary action of IEX for purposes of Exchange Act Rule 19d-1(c)(1) shall become effective on a date to be determined by IEX; and

(2) a bar or an expulsion specified in a decision shall become effective immediately upon the decision becoming the final disciplinary action of IEX for purposes of Exchange Act Rule 19d-1(c)(1).

Rule 9.269. Default Decisions

(a) Issuance of Default Decisions

(1) The Hearing Officer may issue a default decision against a Respondent that fails to answer the complaint within the time afforded under IEX Rule 9.215, or a Party that fails to appear at a pre-hearing conference held pursuant to IEX Rule 9.241 of which the Party has due notice, or a Party that fails to appear any hearing that a Party is required to attend under IEX Rule Series 9.200 of which the Party has due notice.

(2) If the defaulting Party is the Respondent, the Hearing Officer may deem the allegations against that Respondent admitted. If the Defaulting Party is the Department of Enforcement or the Department of Market Regulation, the Hearing Officer may issue a default decision ordering that the complaint be dismissed with prejudice.

(3) The Hearing Officer may order a Party that fails to appear at the pre-hearing conference or the hearing to pay the costs incurred by other Parties in connection with their appearance.

(b) Contents of Decision

The contents of a default decision shall conform to the requirements of IEX Rule 9.268(b).

(c) Review of Default Decision

Party may, for good cause shown, file a motion to set aside a default, dismissal, and the imposition of costs. Upon a showing of good cause, the Hearing Officer that entered the original order shall decide the motion. If the Hearing Officer that issued the original order is not available, the Chief Hearing Officer shall appoint another Hearing Officer to decide the motion.

(d) Final Disciplinary Action of IEX; Effectiveness of Sanctions

If a default decision is not appealed pursuant to IEX Rule 9.311 or called for review pursuant to IEX Rule 9.312 within 25 days after the date the Office of Hearing Officers serves it on the Parties, the default decision shall become the final disciplinary action of IEX for purposes of Rule 19d-1(c)(1) of the Act. Unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by IEX staff, except that a bar or expulsion shall become effective immediately upon the default decision becoming the final disciplinary action of IEX. The decision shall be served upon Respondent by courier, facsimile or other means reasonably likely to obtain prompt service when the sanction is a bar or an expulsion.

Rule 9.270. Settlement Procedure

(a) When Offer Allowed; No Stay of Proceeding

A Respondent who is notified that a proceeding has been instituted against him or her may propose in writing an offer of settlement at any time. If a Respondent proposes an offer of settlement before the hearing on the merits has begun, the making of an offer of settlement shall not stay the proceeding, unless otherwise decided by the Hearing Officer. If a Respondent proposes an offer of settlement after the hearing on the merits has begun, the making of an offer of settlement shall not stay the proceeding, unless otherwise decided by the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Settlement Offer Shall Conform to IEX Rule

A Respondent who makes an offer of settlement shall do so in conformity with the provisions of this IEX Rule 9.270 and shall not make such an offer of settlement frivolously or propose a sanction inconsistent with the seriousness of the violations to be found.

(c) Content and Signature Requirements

An offer of settlement shall be in writing and signed by the person making the offer, and, if the person is represented by counsel or a representative, signed also by the counsel or representative. The offer of settlement shall contain in reasonable detail:

(1) a statement describing the investigative or other origin of the disciplinary action;

(2) the specific statutory or rule provisions that the Member or associated person is alleged to have violated;

(3) a statement containing the acts or practices which the Member or associated person is alleged to have engaged in or omitted;

(4) a statement consenting to findings of fact and violations consistent with the statements contained in the offer of settlement required by paragraphs (c)(2) and (c)(3) above;

(5) a description of the proposed sanction and the effective date of any sanction(s) imposed, or a statement that the effective date of the sanction(s) will be a date to be determined by IEX staff.

(d) Waiver

(1) If a Respondent submits an offer of settlement, by the submission such Respondent waives:

(A) any right of such Respondent to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of appeal to the IEX Appeals Committee, the SEC, and the courts, or any right otherwise to challenge or contest the validity of the order issued, if the offer of settlement and order of acceptance are accepted;

(B) any right of such Respondent to claim bias or prejudgment of the Chief Hearing Officer, Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, a Panelist on a Hearing Panel, or, if applicable, an Extended Hearing Panel, the Chief Regulatory Officer, the IEX Appeals Committee, or any member of the IEX Appeals Committee, in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance, or rejection of such offer of settlement and order of acceptance; and

(C) any right of such Respondent to claim that a person or body violated the ex parte prohibitions of IEX Rule 9.143 or the separation of functions prohibitions of IEX Rule 9.144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of settlement, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) If an offer of settlement and an order of acceptance are rejected, the Respondent shall be bound by the waivers made in this paragraph (d) for conduct by persons or bodies occurring during the period beginning from the date the offer of settlement was submitted and ending upon the rejection of the offer of settlement and order of acceptance.

(e) Uncontested Offers of Settlement

If a Respondent makes an offer of settlement and the Department of Enforcement or the Department of Market Regulation does not oppose it, the offer of settlement is uncontested. If an offer of settlement is determined to be uncontested by the Department of Enforcement or the Department of Market Regulation before a hearing on the merits has begun, the Department of Enforcement or the Department of Market Regulation shall transmit the uncontested offer of settlement and a proposed order of acceptance to the Office of Disciplinary Affairs with its recommendation. If an offer of settlement is determined to be uncontested by the Department of Enforcement or the Department of Market Regulation after a hearing on the merits has begun, the Department of Enforcement or the Department of Market Regulation shall transmit the offer of settlement and a proposed order of acceptance to the Hearing Panel or, if applicable, the Extended Hearing Panel for acceptance or rejection.

(1) A proposed order of acceptance shall make findings of fact, including a statement of the rule, regulation, or statutory provision violated, and impose sanctions consistent with the terms of the offer of settlement.

(2) Before an offer of settlement and an order of acceptance shall become effective, they shall be submitted to and accepted by the Office of Disciplinary Affairs, Hearing Panel, or if applicable, Extended Hearing Panel. The Office of Disciplinary Affairs, Hearing Panel, or if applicable, Extended Hearing Panel may or may not accept such offer of settlement and order of acceptance.

(3) If the offer of settlement and order of acceptance are accepted by the Office of Disciplinary Affairs, Hearing Panel, or if applicable, Extended Hearing Panel they shall be issued and become final.

(f) Contested Offers of Settlement

If a Respondent makes an offer of settlement and the Department of Enforcement or the Department of Market Regulation opposes it, the offer of settlement is contested. A contested offer of settlement shall be deemed rejected, shall not be transmitted to the Office of Hearing Officers, Office of Disciplinary Affairs, or Hearing Panel or Extended Hearing Panel, and shall not constitute a part of the record in any proceeding against the Respondent making the offer.

(g) Final Disciplinary Action of IEX

The proceeding shall conclude as of the date the order of acceptance is issued. The order of acceptance shall constitute final disciplinary action of IEX. The sanction shall take effect as set forth in the order.

(h) Uncontested Offer of Settlement Not Accepted

If an uncontested offer of settlement or an order of acceptance is not accepted by the Office of Disciplinary Affairs, the Hearing Panel or, if applicable, the Extended Hearing Panel, the Respondent shall be notified in writing and the offer of settlement and proposed order of acceptance shall be deemed withdrawn. An offer and proposed order of acceptance shall not constitute a part of the record in any proceeding against the Respondent making the offer.

(i) Disciplinary Proceeding With Multiple Respondents

When a disciplinary proceeding names multiple Respondents, settlement offers may be accepted or rejected as to any one or all of the Respondents submitting offers. The proceedings shall thereafter be terminated as to those Respondents whose offers of settlement are accepted, but such Respondents may be required to participate in any hearing conducted as to those Respondents that did not submit offers of settlement or whose offers of settlement were rejected.

(j) No Prejudice from Rejected Offer of Settlement

If an offer of settlement is rejected by the Office of Disciplinary Affairs, a Hearing Panel or, if applicable, an Extended Hearing Panel, the Respondent shall not be prejudiced by the offer, which may not be introduced into evidence in connection with the determination of the issues involved in the pending complaint or in any other proceeding.

Rule 9.280. Contemptuous Conduct

(a) Persons Subject to Sanctions

If a Party, attorney for a Party, or other person authorized to represent others by IEX Rule 9.141, engages in conduct in violation of an order of a Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, or other contemptuous conduct during a proceeding, a Hearing Officer, Hearing Panel or, if applicable, an Extended Hearing Panel, may:

(1) subject the Party, attorney for a Party, or other person authorized to represent others by IEX Rule 9.141, to the sanctions set forth in paragraph (b); and

(2) exclude an attorney for a Party, or other person authorized to represent others by IEX Rule 9.141, under IEX Rule 9.150.

(b) Sanctions Other Than Exclusion

A Hearing Officer, Hearing Panel or, if applicable, an Extended Hearing Panel, may make such orders as are just in regard to a Party, an attorney for a Party, or other person authorized to represent others by IEX Rule 9.141.

(1) Such orders may include:

(A) an order providing that the matters on which the order is made or any other designated facts shall be taken to be established for the purposes of the disciplinary proceeding in accordance with the claim of the Party obtaining the order;

(B) an order providing that the disobedient Party may not support or oppose designated claims or defenses, or may not introduce designated matters in evidence;

(C) an order providing that pleadings or a specified part of the pleading shall be stricken, or an order providing that the proceeding shall be stayed until the Party subject to the order obeys it;

(D) in lieu of any of the foregoing orders or in addition thereto, an order providing that contemptuous conduct includes the failure to obey any order; and

(E) an order as provided in subparagraphs (A), (B), and (C) where a Party has failed to comply with an order to produce a person for examination, unless the Party failing to comply shows that such Party is unable to produce such person for examination.

(2) A Party that without substantial justification fails to disclose information required by IEX Rules 9.240 and 9.250 or otherwise required by order of the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel, shall not, unless such failure is harmless, be permitted to use as evidence at a hearing, in a motion or in any other filing of papers, or in oral argument, any witness or information not so disclosed. In addition to, or in lieu of this sanction, the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel, on motion and after affording an opportunity to be heard, may impose other appropriate sanctions. These sanctions may include any of the sanctions provided for in paragraphs (b)(1)(A) through (C) above.

(c) Review of Exclusions

If an attorney for a Party, or other person authorized to represent others by IEX Rule 9.141, is excluded from a disciplinary hearing or conference, or any portion thereof, such attorney or other person may seek review of the exclusion by filing a motion to vacate with the Chief Hearing Officer. Such motion to vacate shall be filed and served on all Parties within five days after service of the exclusion order. Any response shall be filed with the Chief Hearing Officer and served on all Parties within five days after the service of the motion to vacate. The Chief Hearing Officer shall consider such motion on an expedited basis and promptly issue a written order. The filing of a motion to vacate

shall stay all aspects of the disciplinary proceeding until at least seven days after service of the order of the Chief Hearing Officer. The review proceedings shall be conducted on the basis of the written record without oral argument.

(d) Adjournment

The hearing, conferences, or other activities relating to the disciplinary proceeding shall be stayed pending the review by the Chief Hearing Officer of an exclusion order in paragraph (c). In the event that the Chief Hearing Officer upholds an exclusion of an attorney or other person authorized to represent others by IEX Rule 9.141, the Hearing Officer may, upon motion by a Party represented by an attorney or other person subject to an order of exclusion, grant an adjournment to allow the retention of new counsel or selection of a new representative. In determining whether to grant an adjournment or the length of an adjournment, the Hearing Officer shall consider whether there are other counsel or representatives of record on behalf of the Party, the availability of other counsel or other members of an excluded attorney's firm, or the availability of other representatives for the Party, and any other relevant factors.

Rule 9.290. Expedited Disciplinary Proceedings

For any disciplinary proceeding, the subject matter of which also is subject to a temporary cease and desist proceeding initiated pursuant to IEX Rule 9.810 or a temporary cease and desist order, hearings shall be held and decisions shall be rendered at the earliest possible time. An expedited hearing schedule shall be determined at a pre-hearing conference held in accordance with IEX Rule 9.241.

Rule Series 9.300. REVIEW OF DISCIPLINARY PROCEEDING BY IEX BOARD; APPLICATION FOR SEC REVIEW

Rule Series 9.310. APPEAL TO OR REVIEW BY THE IEX BOARD

Rule 9.311. Appeal by Any Party; Cross-Appeal

(a) Time to File Notice of Appeal

A Respondent or the Department of Enforcement or the Department of Market Regulation may file a written notice of appeal with the Secretary of IEX, which states the basis and reasons for such review within 25 days after service of a decision issued pursuant to IEX Rules 9.268 or 9.269, except that a decision concerning an IEX Member that is an affiliate may not be appealed to the Board.

(b) Effect

An appeal to the Board from a decision issued pursuant to IEX Rules 9.268 or 9.269 shall be heard by the IEX Appeals Committee of the Board, and shall operate as a stay of that decision until a decision is issued pursuant to IEX Rule 9.349 or, in cases called for discretionary review by the Board, until a decision is issued pursuant to IEX Rule 9.351. Any such appeal, however, will not stay a decision, or that part of a decision, that imposes a permanent cease and desist order.

(c) Notice of Appeal Content and Signature Requirements

A Party appealing pursuant to this IEX Rule 9.311 shall file a written notice of appeal with the Office of Hearing Officers and serve the notice on the Parties. The notice of appeal shall be signed by the appealing Party, or his or her counsel or representative, and shall contain:

(1) the name of the disciplinary proceeding;

(2) the disciplinary proceeding docket number;

(3) the name of the Party on whose behalf the appeal is made;

(4) a statement on whether oral argument before the IEX Appeals Committee is requested; and

(5) a brief statement of the findings, conclusions, or sanctions as to which exceptions are taken.

(d) Notice of Cross-Appeal

A Party who is served with a notice of appeal may file a written notice of cross-appeal and serve the notice of cross-appeal on the Parties. The notice of cross-appeal shall be filed within five days after service of the notice of appeal. The notice of cross-appeal shall be signed by the Party cross-appealing, or his or her counsel, and shall contain the information set forth in paragraphs (c)(1), (c)(2), (c)(4), and (c)(5), and the name of the Party on whose behalf the cross-appeal is made.

(e) Waiver of Issues Not Raised

The IEX Appeals Committee may, in its discretion, deem waived any issue not raised in the notice of appeal or cross-appeal. The IEX Appeal Committee or the General Counsel shall provide the Parties with notice of, and an opportunity to submit briefs on, any issue that shall be considered by the IEX Appeals Committee if such issue was not previously set forth in the notice of appeal. Parties may submit motions to the IEX Appeals Committee challenging requests for briefing made by the General Counsel under this IEX Rule of issues that were not previously set forth in the notice of appeal.

(f) Withdrawal of Notice of Appeal or Cross-Appeal

A Party may withdraw a notice of appeal or a notice of cross-appeal filed by him or her at any time by filing a written notice of withdrawal of appeal or cross-appeal with the Office of Hearing Officers and serving notice thereof on the Parties. The notice of withdrawal of appeal or cross-appeal shall contain: the name of the disciplinary proceeding; the disciplinary proceeding docket number; and the name of the Party on whose behalf the notice of appeal or cross-appeal was filed previously. The notice of withdrawal of appeal or cross-appeal shall be signed by the Party, or his or her counsel or representative. Upon the withdrawal of a notice of appeal, any outstanding cross-appeal shall be treated as an appeal unless it is withdrawn.

Rule 9.312. Review Proceeding Initiated by the IEX Board

(a) Call for Review

(1) Rule 9.268 Decision

A decision issued pursuant to IEX Rule 9.268 may be subject to a call for review by any member of the Board. A decision issued pursuant to IEX Rule 9.268 shall be subject to a call for review within 45 days after the date of service of the decision. If called for review, such decision shall be reviewed by the IEX Appeals Committee.

(2) Rule 9.269 Decision

A default decision issued pursuant to IEX Rule 9.629 shall be subject to a call for review by the Chief Regulatory Officer, on his or her own motion within 25 days after the date of service of the decision. If called for review, such decision shall be reviewed by the IEX Appeals Committee.

(b) Effect

Institution of review by a member of the Board on his or her own motion or the Chief Regulatory Officer, on his or her own motion, shall operate as a stay of a final decision issued pursuant to IEX Rules 9.268 or 9.629 as to all Parties subject to the notice of review, until the IEX Appeals Committee issues a decision pursuant to IEX Rule 9.349, or, in cases called for discretionary review by the Board, until a decision is issued pursuant to IEX Rule 9.351. Institution of

any such review, however, will not stay a decision, or that part of a decision, that imposes a permanent cease and desist order.

(c) Requirements

(1) If a member of the Board, or, for a disciplinary proceeding decided under IEX Rule 9.269, the Chief Regulatory Officer determines to call a case for review, a written notice of review shall be served promptly on each Party to the proceeding and filed with the Office of Hearing Officers. Such notice of review shall contain:

(A) the name of the disciplinary proceeding;

(B) the disciplinary proceeding docket number; and

(C) a brief statement of the findings, conclusions, or sanctions with respect to which the Board or the Chief Regulatory Officer determined that a call for review was necessary.

(2) The statement contained in the notice of review shall not limit the scope of the Board's authority under IEX Rule 9.346 to review any issues raised in the record. The Board or the Chief Regulatory Officer shall provide the Parties with notice of, and an opportunity to submit briefs on, any issue that shall be considered by the IEX Appeals Committee if such issue was not previously set forth in the notice of review. Parties may submit motions to the IEX Appeals Committee requests for briefing made by the General Counsel under this IEX Rule 9.312 of issues that were not previously set forth in the notice of appeal.

(d) Effect of Withdrawal of Notice of Appeal, Cross-Appeal

If the review of a disciplinary proceeding by the IEX Appeals Committee is terminated before the IEX Appeals Committee issues a decision on the merits because all appealing Parties file a notice of withdrawal of appeal and no Party previously filed a notice of cross-appeal, or all Parties who previously filed a notice of cross-appeal file a notice of withdrawal of cross-appeal:

(1) a member of the Board shall have the right to call for review a decision issued pursuant to IEX Rule 9.268 in accordance with IEX Rule 9.312(a)(1), except that the 45 day period during which a call for review may be made shall begin on the day IEX receives the last filed notice of withdrawal of appeal or, if applicable, the last filed notice of withdrawal of cross-appeal; and,

(2) the Chief Regulatory Officer shall have the right to call for review a decision issued pursuant to IEX Rule 9.269 in accordance with IEX Rule 9.312(a)(2), except that the 25-day period during which a call for review may be made shall begin on the day IEX receives the last filed notice of withdrawal of appeal or, if applicable, the last filed notice of withdrawal of cross-appeal.

Rule 9.313. Counsel to IEX Board and Appeals Committee

(a) Authority

A Counsel to the Board and Appeals Committee shall have authority to take ministerial and administrative actions to further the efficient administration of a proceeding, including the authority to:

(1) direct the Office of Hearing Officers to complete and transmit a record of a disciplinary proceeding to the IEX Appeals Committee in accordance with IEX Rule 9.267;

(2) establish or amend a briefing schedule under IEX Rule 9.347(b) but not shorten a briefing schedule except with the consent of the Parties;

(3) permit a brief or any other document required to be filed to vary from the requirements of IEX Rule 9.130 as provided in IEX Rule 9.347(a);

(4) establish the date, time, and location of an oral argument and provide for notice of the hearing under IEX Rule 9.341;

(5) for other than a Party and counsel or a person acting in a representative capacity, determine who may attend a hearing;

(6) rule on a motion by a Party to request to lengthen or shorten a period of time prescribed by the Code for the filing of any papers, or request that a hearing be postponed or adjourned under IEX Rule 9.322, except that a period may not be shortened and a hearing may not be postponed or adjourned without the consent of the Parties;

(7) create and maintain the official record of the disciplinary proceeding on appeal or review; and

(8) establish the number of copies of all papers that shall be filed with the Adjudicator under IEX Rule 9.136.

(b) Review

A Party seeking the review of a decision of a Counsel to the Board or Appeals Committee may make a motion to the IEX Appeals Committee.

Rule 9.321. Transmission of Record

Within 21 days after the filing of a notice of appeal or notice of review, or at such later time as the IEX Appeals Committee may designate, the Office of Hearing Officers shall assemble and prepare an index to the record, transmit the record and the index to the IEX Appeals Committee, and serve copies of the index upon all Parties. The Hearing Officer who participated in the disciplinary proceeding, or the Chief Hearing Officer, shall certify that the record transmitted to the IEX Appeals Committee is complete.

Rule 9.322. Extensions of Time, Postponements, Adjournments

(a) Availability

At any time prior to the issuance of a decision pursuant to IEX Rule 9.349, the IEX Appeals Committee or Counsel to the IEX Appeals Committee, for good cause shown, may extend or shorten a period prescribed by the Code for the filing of any papers, except that Counsel to the IEX Appeals Committee may shorten a period so prescribed only with the consent of the Parties. The IEX Appeals Committee or Counsel to the IEX Appeals Committee, for good cause shown, may postpone or adjourn a hearing consistent with paragraph (b), except that Counsel to the IEX Appeals Committee may postpone or adjourn a hearing only with the consent of the Parties.

(b) Limitations on Postponements, Adjournments, and Changes in Location

Oral argument shall begin at the time and place ordered, unless the IEX Appeals Committee or Counsel to the IEX Appeals Committee, for good cause shown, postpones, adjourns, or changes the location of the oral argument, except that Counsel to the IEX Appeals Committee may postpone or adjourn the oral argument only with the consent of the Parties. In considering a motion for the postponement or adjournment of an oral argument, the IEX Appeals Committee or Counsel to the IEX Appeals Committee shall consider, in addition to any other relevant factors:

(1) the length of time the disciplinary proceeding has been pending to date, and the timeliness of the request for a postponement, an adjournment, or an extension;

(2) the number of postponements, adjournments, or extensions already granted;

(3) the stage of the proceedings at the time of the request;

(4) the prejudice to the other Parties;

(5) the potential harm to the investing public if an extension of time, an adjournment, or a postponement is granted; and

(6) any other matter that justice may require.

Rule 9.331. Reserved.

Rule 9.332. Disqualification and Recusal

(a) Recusal, Withdrawal of Member or Panelist

If at any time a member of the IEX Appeals Committee or a Counsel to the IEX Appeals Committee determines that the member or the Counsel to the IEX Appeals Committee has a conflict of interest or bias or circumstances otherwise exist where the fairness of the member or the Counsel to the IEX Appeals Committee might reasonably be questioned, the member or the Counsel to the IEX Appeals Committee shall notify the Chair of the IEX Appeals Committee who shall issue and serve on the Parties a notice stating that the member or the Counsel to the IEX Appeals Committee has withdrawn from the matter. In the event that a member of the IEX Appeals Committee withdraws, is incapacitated, or is otherwise unable to continue service after assignment, the Chair of the Board shall appoint another member of the Board to serve on the IEX Appeals Committee for the limited purpose of considering the issues raised in the disciplinary proceeding in which the withdrawal action was taken. In the event that a Counsel to the IEX Appeals Committee withdraws, is incapacitated, or is otherwise unable to continue service after assignment, the General Counsel shall assign a replacement Counsel to the IEX Appeals Committee.

(b) Motion for Disqualification

A Party may move for the disqualification of a member of the IEX Appeals Committee or a Counsel to the IEX Appeals Committee. All such motions shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the fairness of the member or the Counsel to the IEX Appeals Committee might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts. Such motions shall be filed not later than 15 days after the later of:

(1) when the Party learned of the facts believed to constitute the disqualification; or

(2) when the Party was notified of the composition of the IEX Appeals Committee or the assignment to the disciplinary proceeding of the Counsel to the IEX Appeals Committee.

(c) Disposition of Disqualification Motions: Challenges to Single Member of IEX Appeals Committee, or Counsel to the IEX Appeals Committee

Motions for disqualification of a member of the IEX Appeals Committee, or a Counsel to the IEX Appeals Committee shall be decided by the Chair of the IEX Appeals Committee (unless the member in question is the Chair in which case a majority of the other members of the IEX Appeals Committee shall make the determination), who shall promptly determine whether disqualification is required and issue a written ruling on the motion. If a member of the IEX Appeals Committee is disqualified, the Chair of the IEX Appeals Committee (or a majority of the other members of the IEX Appeals Committee if the Chair is disqualified) shall appoint another member of the Board to serve on the IEX Appeals Committee for the limited purpose of considering the issues raised in the disciplinary proceeding in which the motion was made. If a Counsel is disqualified, the General Counsel shall assign a replacement Counsel to the IEX Appeals Committee.

(d) Disposition of Disqualification Motions: Challenges to Multiple Members or Panelists

If a Party files a motion to disqualify more than one member of the IEX Appeals Committee, the Chair of the IEX Appeals Committee shall promptly determine whether disqualification is required, and shall issue a written ruling on the matter. In the event of such disqualification, the remaining members of the IEX Appeals Committee shall consider the review or appeal of the disciplinary matter.

Rule Series 9.340. PROCEEDINGS

Rule 9.341. Oral Argument

(a) Request for Oral Argument

A Party may request oral argument before the IEX Appeals Committee. Oral argument shall be requested in writing either in the Party's notice of appeal or cross-appeal or within 15 days after service of the IEX Appeal Committee's notice of review. Subject to the limitations of IEX Rules 9.342 and 9.344, oral argument shall be granted if timely requested. The right to oral argument set forth in this IEX Rule is unaffected by a Party's waiver of, or failure to request, a hearing pursuant to IEX Rule Series 9.200. The IEX Appeals Committee may cancel in writing a previously scheduled oral argument for good cause shown due to abandonment or similar unreasonable availability.

(b) Discretion to Proceed With or Without Oral Argument

In the absence of a request for oral argument, the IEX Appeals Committee, in its discretion, may order that a matter be set down for oral argument or may consider the matter on the basis of the record.

(c) Notice Regarding Oral Argument

If oral argument is held, a notice stating the date, time, and location of the oral argument shall be served on the Parties at least 21 days before the hearing. The Parties may agree in writing to waive the notice period or, in extraordinary circumstances, the IEX Appeals Committee or Counsel to the IEX Appeals Committee may provide for a shorter notice period, except that Counsel to the IEX Appeals Committee may provide for a shorter notice period only with the consent of the Parties.

(d) Attendance Required

The Parties shall make oral arguments before the IEX Appeals Committee. Unless otherwise agreed to by all of the Parties, all members of the IEX Appeals Committee shall be present for the oral argument.

(e) Time Limits

Unless the IEX Appeals Committee orders otherwise for good cause shown, each Party's oral argument shall be limited to a total of 30 minutes.

(f) Recordation; Transcript Correction

(1) Oral arguments shall be recorded by a court reporter and a transcript shall be prepared.

(2) A transcript of a hearing shall be available to a Party for purchase from the court reporter at prescribed rates. A witness may purchase a transcript of his or her own testimony from the court reporter.

(3) Prior to the filing of post-hearing briefs or within such earlier time as reasonably ordered by the IEX Appeals Committee a Party or witness may seek to correct his or her transcript. A proposed correction of the transcript shall be submitted by affidavit to the IEX Appeals Committee. Upon notice to all Parties to the disciplinary proceeding, the IEX Appeals Committee may order the correction to the transcript as requested or sua sponte.

Rule 9.342. Failure to Appear at Oral Argument

A Party who requests oral argument but fails to appear after being duly notified shall be deemed to have waived any opportunity for oral argument provided under IEX Rule Series 9.300. The IEX Appeals Committee shall permit argument to go forward as to those Parties who appear. The IEX Appeals Committee, in the exercise of its discretion, may consider the matter on the basis of the record without oral argument as to those Parties who failed to appear.

Rule 9.343. Disposition without Oral Argument

If an oral argument is not held, the matter shall be considered by the IEX Appeals Committee, on the basis of the record, as defined in IEX Rule 9.267, and supplemented by any written materials submitted to or issued by the IEX Appeals Committee in connection with the appeal, cross-appeal, or call for review.

Rule 9.344. Failure to Participate Below; Abandonment of Appeal

(a) Failure to Participate Below

If an appealing Party did not participate in the disciplinary proceeding before a Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, and fails to show good cause for the failure to participate, the matter shall be considered by the IEX Appeals Committee on the basis of the record and other documents, as provided in IEX Rules 9.346 and 9.347. When good cause is shown, the IEX Appeals Committee shall remand the disciplinary proceeding with instructions. For purposes of this paragraph, failure to participate shall include failure to file an answer or otherwise respond to a complaint, or failure to appear at a scheduled hearing, but shall not include failure to request a hearing pursuant to IEX Rule 9.221.

(b) Abandonment of Appeal

If an appealing Party fails to advise the IEX Appeals Committee of the basis for seeking review or otherwise fails to provide information or submit a written brief in response to a request pursuant to IEX Rules 9.346 and 9.347, the IEX Appeals Committee may dismiss the appeal as abandoned, and the decision of the Hearing Officer, the Hearing Panel or, if applicable, the Extended Hearing Panel, shall become the final disciplinary action of IEX. If a cross-appealing Party fails to advise the IEX Appeals Committee of the basis for seeking review or otherwise fails to provide information or submit a written brief in response to a request pursuant to IEX Rules 9.346 and 9.347, the IEX Appeals Committee may dismiss the cross-appeal as abandoned. Upon a showing of good cause, the IEX Appeals Committee may withdraw any dismissal entered pursuant to this IEX Rule.

Rule 9.345. Reserved.

Rule 9.346. Evidence in IEX Appeals Committee Proceedings

(a) Scope of Review

Except as otherwise set forth in this paragraph, the IEX Appeals Committee's review shall be limited to consideration of:

(1) the record, as defined in IEX Rule 9.267, supplemented by briefs and other papers submitted to the IEX Appeals Committee; and

(2) any oral argument permitted under this Code.

A Party may introduce additional evidence only with prior approval of the IEX Appeals Committee, upon a showing that extraordinary circumstances exist under paragraph (b) below. If an appealing Party shows good cause for failure to participate in the disciplinary proceeding below, the IEX Appeals Committee may hear evidence and consider the disciplinary proceeding pursuant to IEX Rule 9.344(a).

(b) Leave to Introduce Additional Evidence

A Party may apply to the IEX Appeals Committee for leave to introduce additional evidence by motion filed not later than 30 days after the Office of Hearing Officers transmits to the IEX Appeals Committee and serves upon all Parties the index to the record, pursuant to IEX Rule 9.321. The motion shall describe each item of proposed new evidence, demonstrate that there was good cause for failing to introduce it below, demonstrate why the evidence is material to the proceeding, and be filed and served. The Party may attach the documentary evidence as an exhibit to the motion. By a motion filed in accordance with IEX Rule 9.146, a Party may request an extension of the period during which a Party may file a motion for leave to introduce additional evidence. A Party shall demonstrate that there was good cause for failing to file the motion for leave to introduce additional evidence during the period prescribed.

(c) Motion In Opposition; Motion to Introduce Rebuttal Evidence

A Party may file an opposition to a motion, as provided in IEX Rule 9.146(d), for leave to introduce new evidence, and may move for leave to introduce rebuttal evidence in response to the proposed new evidence. A Party who moves to introduce rebuttal evidence in response to the proposed new evidence of another Party shall describe each item of proposed rebuttal evidence and explain why the evidence is material to the proceeding, and shall file and serve such motion.

(d) Discretion Regarding Review of Additional Evidence

Upon consideration of any motion to introduce additional evidence and any opposition thereto, the IEX Appeals Committee may permit the evidence to be introduced into the record on review, or may remand the disciplinary proceeding for further proceedings consistent with its ruling or for further fact finding.

(e) Requirements for Submitting Additional Documentary Evidence

A Party that is permitted to introduce additional documentary evidence before the IEX Appeals Committee pursuant to paragraph (d) shall make copies of the evidence available to the IEX Appeals Committee and to all Parties at such time as the IEX Appeals Committee may specify.

(f) Additional Evidence

On its own motion, the IEX Appeals Committee may order that the record be supplemented with such additional evidence as it may deem relevant. Among other things, the IEX Appeals Committee may order a Respondent who asserts his or her inability to pay a monetary sanction to file a sworn financial statement and to keep such statement current as ordered by the IEX Appeals Committee.

(g) Rules of Evidence Not Applicable

The formal rules of evidence shall not apply.

(h) Testimony

A person who is subject to the jurisdiction of IEX shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

Rule 9.347. Filing of Papers in IEX Appeals Committee Proceedings

(a) Briefs; Reply Briefs; Requirements

Parties may file briefs in connection with proceedings governed by IEX Rule Series 9.300. Briefs shall be confined to the particular matters at issue. An exception to findings, conclusions, or sanctions shall be supported by citation to the relevant portions of the record, including references to specific pages relied upon, and by concise argument, including citation o such statutes, decisions, and other authorities as may be relevant. If an exception relates to the

admission or exclusion of evidence, the substance of the evidence admitted or excluded shall be set forth in the brief, an appendix thereto, or by citation to the record. Parties may file reply briefs. If a Party files a reply brief, such brief shall be limited to matters in reply. All briefs shall conform to the requirements of IEX Rule Series 9.130, and, except with advance leave of the IEX Appeals Committee, or Counsel to the IEX Appeals Committee, exclusive of pages containing tables of contents or tables of authorities, a brief other than a reply brief shall not exceed 25 double-spaced pages, and a reply brief shall not exceed 12 double-spaced pages.

(b) Timely Filing of Briefs

Briefs shall be due upon dates established by the IEX Appeals Committee, or Counsel to the IEX Appeals Committee in a scheduling order. Unless the IEX Appeals Committee, or Counsel to the IEX Appeals Committee specifies otherwise, opening briefs shall be submitted not less than 21 days from the date of the scheduling order, and answering briefs shall be submitted 21 days thereafter. When reply briefs are submitted, such briefs shall be filed not later than ten days after service of the answering brief. Counsel to the IEX Appeals Committee may not shorten a period previously established for the filing of briefs except with the consent of the Parties. The time periods listed in this provision are only applicable to the filing of opening briefs, answering briefs, and reply briefs.

Rule 9.348. Powers of the IEX Appeals Committee on Review

In any appeal or review proceeding pursuant to IEX Rule Series 9.300, the IEX Appeals Committee may affirm, dismiss, modify, or reverse with respect to each finding, or remand the disciplinary proceeding with instructions. The IEX Appeals Committee may affirm, modify, reverse, increase, or reduce any sanction, or impose any other fitting sanction.

Rule 9.349. IEX Appeals Committee Formal Consideration; Decision

(a) Decision of IEX Appeals Committee, Including Remand

In an appeal or review of a disciplinary proceeding governed by IEX Rule Series 9.300 that is not withdrawn or dismissed prior to a decision on the merits, the IEX Appeals Committee, after considering all matters presented in the appeal or review, may affirm, dismiss, modify or reverse the decision of the Hearing Panel or, if applicable, Extended Hearing Panel, with respect to each Respondent who has appealed or cross-appealed or is subject to a call for review. The IEX Appeals Committee may affirm, modify, reverse, increase, or reduce any sanction, or impose any other fitting sanction. Alternatively, the IEX Appeals Committee may remand the disciplinary proceeding with instructions. The IEX Appeals Committee shall prepare a proposed written decision pursuant to paragraph (b) below.

(b) Contents of Decision

The decision shall include:

(1) a statement describing the investigative or other origin of the disciplinary proceeding, if not otherwise contained in the record;

(2) the specific statutory or rule provisions that were alleged to have been violated;

(3) a statement setting forth the findings of fact with respect to any act or practice the Respondent was alleged to have committed or omitted;

(4) the conclusions as to whether the Respondent violated any provision alleged in the complaint;

(5) a statement in support of the disposition of the principal issues raised in the proceeding; and

(6) a statement describing any sanction imposed, the reasons therefor, and, pursuant to IEX Rule 9.360, the date upon which such sanction shall become effective.

(c) Issuance of Decision After Expiration of Call for Review Period

The IEX Appeals Committee shall provide its proposed written decision to the Board. The Board may call the disciplinary proceeding for review pursuant to IEX Rule 9.351. If the Board does not call the disciplinary proceeding for review, the proposed written decision of the IEX Appeals Committee shall become final, and the IEX Appeals Committee shall serve its written decision on the Parties and provide a copy to each member of IEX with which a Respondent is associated. The decision shall constitute the final disciplinary action of IEX for purposes of Rule 19d-1(c)(1) of the Act, unless the IEX Appeals Committee remands the proceeding.

Rule Series 9350. Discretionary Review by IEX Board

Rule 9.351. Discretionary Review by IEX Board

(a) Call for Review by Director

A Director may call a disciplinary proceeding for review by the Board if the call for review is made within the period prescribed in paragraph (b) below.

(b) 15 Day Period; Waiver

(1) A Director shall make his or her call for review not later than the next meeting of the Board that is at least 15 days after the date on which the Board receives the proposed written decision of the IEX Appeals Committee.

(2) Waiver

By a unanimous vote of the Board, the Board may shorten the period in subparagraph (1) to less than 15 days. By an affirmative vote of the majority of the Board then in office, the Board may, during the 15 day period in subparagraph (1), vote to extend the period in subparagraph (1) to more than 15 days.

(c) Review at Next Meeting

If a Director calls a disciplinary proceeding for review within the period prescribed in paragraph (b) above, the Board shall review the disciplinary proceeding not later than the next meeting of the Board. The Board may order the Parties (excluding any Respondent who did not appeal or cross-appeal, or as to whom the issues appealed or called for review do not apply) to file briefs in connection with the review proceedings pursuant to this IEX Rule.

(d) Decision of IEX Board, Including Remand

After review, the Board may affirm, modify, or reverse the proposed written decision of the IEX Appeals Committee. The Board may affirm, modify, reverse, increase, or reduce any sanction, or impose any other fitting sanction. Alternatively, the Board may remand the disciplinary proceeding with instructions. The Board shall prepare a written decision that includes all of the elements described in IEX Rule 9.349(b)(1) through (6).

(e) Issuance of Decision After Expiration of Call for Review Period

The Board shall issue and serve its written decision on the Parties and provide a copy to each Member of IEX with which a Respondent is associated. The decision shall constitute the final disciplinary action of IEX for purposes of Rule 19d-1(c)(1) of the Act, unless the Board remands the proceeding.

Rule 9.360. Effectiveness of Sanctions

Unless otherwise provided in the decision issued under IEX Rule 9.349 or 9.351, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of IEX for purposes of Rule 19d-1(c)(1) of the Act shall become effective on a date to be determined by IEX staff (or the Hearing Panel, Extended

Hearing Panel, or Office of Disciplinary Affairs in the case of a decision with respect to an affiliate of IEX within the meaning of IEX Rule 2.210). A bar, an expulsion, or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of IEX, unless otherwise specified therein. IEX shall serve the decision on a Respondent by courier, facsimile or other means reasonably likely to obtain prompt service when the sanction is a bar, an expulsion, or a permanent cease and desist order.

Rule 9.370. Application to SEC for Review

(a) Appeal to SEC; Effect

A Respondent aggrieved by final disciplinary action pursuant to IEX Rule Series 9.200 or 9.300 may apply for review by the SEC pursuant to Section 19(d)(2) of the Exchange Act. The filing with the SEC of an application for review by the SEC shall stay the effectiveness of any sanction, other than a bar or an expulsion, imposed in a decision constituting final disciplinary action of IEX for purposes of Rule 19d-1(c)(1) of the Act.

(b) IEX Notification to Member

IEX, or FINRA on its behalf, shall promptly notify any IEX Member with which a Respondent is associated if the Respondent files an application for review to the SEC.

Rule Series 9.500. OTHER PROCEEDINGS

IEX Rule Series 9.500 provides the procedure for persons who are or are about to be aggrieved by adverse action, including, but not limited to, those persons who have been denied membership in the Exchange, barred from becoming associated with a Member, or prohibited or limited with respect to Exchange services pursuant to the Operating Agreement or the Rules of the Exchange (other than disciplinary action for which review is provided in the Rule 9.300 Series and other than an arbitration award, from which there is no Exchange review), to apply for an opportunity to be heard and to have the complained of action reviewed.

Rule Series 9.520. ELIGIBILITY PROCEEDINGS

Rule 9.521. Purpose and Definitions

(a) Purpose

IEX Rule Series 9.520 sets forth procedures for a person to become or remain associated with a Member, notwithstanding the existence of a statutory disqualification as defined in Article III, Section 7 of the IEX Operating Agreement and for a current Member or person associated with a Member to obtain relief from the eligibility or qualification requirements of the IEX Operating Agreement and IEX Rules. Such actions hereinafter are referred to as "eligibility proceedings."

(b) Definitions

(1) The term "Application" means FINRA's Form MC-400 for individuals or Form MC-400A for Members, filed with the Department of Registration and Disclosure ("RAD").

(2) The term "disqualified Member" means a broker, dealer, municipal securities broker or dealer, government securities broker or dealer, or Member that is or becomes subject to a disqualification or is otherwise ineligible for membership under Article X, Section 3 of the IEX Operating Agreement.

(3) The term "disqualified person" means an associated person or person seeking to become an associated person who is or becomes subject to a disqualification or is otherwise ineligible for association under Article X, Section 3 of the IEX Operating Agreement.

(4) The term "sponsoring Member" means the Member or applicant for membership pursuant to IEX Rule 2.160 that is sponsoring the association or continued association of a disqualified person to be admitted, readmitted, or permitted to continue in association.

Rule 9.522. Initiation of Eligibility Proceeding by IEX Staff; Member Regulation Consideration

(a) Initiation by FINRA

(1) Issuance of Notice of Disqualification or Ineligibility

If IEX Regulation staff has reason to believe, or if FINRA staff advises IEX that it has reason to believe, that a disqualification exists or that a Member or person associated with a Member, or applicant thereof, otherwise fails to meet the eligibility requirements of IEX, IEX staff shall issue a written notice to the Member or applicant for membership under IEX Rule 2.170(d). The notice shall specify the grounds for such disqualification or ineligibility. IEX staff shall not issue such written notice to Members or applicants for membership under IEX Rule 2.160(d) with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, unless the Member or applicant for membership under IEX Rule 2.160(d) is required to file an application pursuant to Supplementary Material .01 to this IEX Rule 9.522.

(2) Notice Regarding a Member

A notice issued to a disqualified Member shall state that the disqualified Member may apply for relief by filing an application or, in the case of a matter set forth in IEX Rule 9.522(e)(1), a written request for relief, within ten business days after service of the notice. If the Member fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the membership of the Member shall be canceled, unless IEX Regulation grants an extension for good cause shown.

(3) Notice Regarding an Associated Person

A notice issued regarding a disqualified person to a Member or applicant for membership under IEX Rule 2.160(a)(3) shall state that such Member or applicant for membership may file an application on behalf of itself and such person or, in the case of a matter set forth in IEX Rule 9.522(e)(1), a written request for relief, within ten business days after service of the notice. If the Member fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the registration of the disqualified person shall be revoked, unless IEX Regulation grants an extension for good cause shown.

(4) Service

A notice issued under this paragraph (a) shall be served by facsimile or pursuant to IEX Rules 9.131 and 9.134.

(b) Obligation of Member to Initiate Proceeding

(1) A Member shall file an application or, in the case of a matter set forth in IEX Rule 9.522(e)(1), a written request for relief, with RAD, if the Member determines prior to receiving a notice under paragraph (a) that:

(A) it has become a disqualified Member;

(B) a person associated with such Member or whose association is proposed by an applicant for membership under IEX Rule 2.160(a)(3) has become a disqualified person; or

(C) the Member or applicant for membership under IEX Rule 2.160(a)(3) wishes to sponsor the association of a person who is a disqualified person.

(2) For any disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, a Member shall not file an application unless instructed to do so pursuant to Supplementary Material .01 to this IEX Rule 9.522.

(c) Withdrawal of Application

A Member may withdraw its application or written request for relief prior to a hearing by filing a written notice with RAD pursuant to IEX Rules 9.135, 9.136, and 9.137. A Member may withdraw its application after the start of a hearing but prior to the issuance of a decision by the IEX Appeals Committee by filing a written notice with RAD and the Office of General Counsel pursuant to IEX Rules 9.135, 9.136, and 9.137.

(d) Ex Parte Communications

The prohibitions against ex parte communications set forth in IEX Rule 9.143 shall become effective under the IEX Rule 9.520 when IEX staff has initiated the eligibility proceeding and IEX staff has knowledge that a Member intends to file an application or written request for relief pursuant to IEX Rule 9.520.

(e) Member Regulation Consideration

(1) Matters that may be Approved by IEX Regulation without the Filing of an Application

IEX Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve a written request for relief from the eligibility requirements by a disqualified Member or a sponsoring Member without the filing of an application by such disqualified Member or sponsoring Member if a disqualified Member or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification:

(A) a disqualified Member or disqualified person is subject to a disqualification based on an injunction that was entered ten or more years prior to the proposed admission or continuance by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, municipal securities dealer, government securities broker, government securities dealer, transfer agent, foreign person performing a function substantially equivalent to any of the above, entity or person required to be registered under the Commodity Exchange Act, or any substantially equivalent foreign statute or regulation, or as an affiliated person or employee of any investment company, bank, insurance company, foreign entity substantially equivalent to any of the above, or entity or person required to be registered under the Commodity Exchange Act or any substantially equivalent foreign statute or regulation, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

(B) a sponsoring Member makes a request to change the supervisor of a disqualified person; or

(C) a disqualified Member or sponsoring Member is a Member of both IEX and another self-regulatory organization; and:

(i) the other self-regulatory organization intends to file a Notice under Exchange Act Rule 19h-1 approving the membership continuance of the disqualified Member or, in the case of a sponsoring Member, the proposed association or continued association of the disqualified person; and

(ii) IEX Regulation concurs with that determination.

(2) Matters that may be Approved by IEX Regulation after the Filing of an Application

IEX Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve an application filed by a disqualified Member or sponsoring Member if the disqualified Member or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification (other than a matter set forth in paragraph (e)(1)):

(A) The disqualified person is already a participant in, a Member of, or a person associated with a Member of, a self-regulatory organization (other than IEX), and the terms and conditions of the proposed admission to IEX are the same in all material respects as those imposed or not disapproved in connection with such person's prior admission or continuance pursuant to an order of the SEC under Exchange Act Rule 19h-1 or other substantially equivalent written communication;

(B) IEX Regulation finds, after reasonable inquiry, that except for the identity of the employer concerned, the terms and conditions of the proposed admission or continuance are the same in all material respects as those imposed or not disapproved in connection with a prior admission or continuance of the disqualified person pursuant to an order of the SEC under Exchange Act Rule 19h-1 or other substantially equivalent written communication, and that there is no intervening conduct or other circumstance that would cause the employment to be inconsistent with the public interest or the protection of investors;

(C) The disqualification previously was a basis for the institution of an administrative proceeding pursuant to a provision of the federal securities laws, and was considered by the SEC in determining a sanction against such disqualified person in the proceeding; and the SEC concluded in such proceeding that it would not restrict or limit the future securities activities of such disqualified person in the capacity now proposed, or, if it imposed any such restrictions or limitations for a specified time period, such time period has elapsed;

(D) The disqualification consists of a court order or judgment of injunction or conviction, and such order or judgment:

(i) expressly includes a provision that, on the basis of such order or judgment, the SEC will not institute a proceeding against such person pursuant to Section 15(b) or 15B of the Exchange Act or that the future securities activities of such persons in the capacity now proposed will not be restricted or limited; or

(ii) includes such restrictions or limitations for a specified time period and such time period has elapsed;

(E) The disqualified person's functions are purely clerical and/or ministerial in nature; or

(F) The disqualification arises from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arises under Section 3(a)(39)(E) of the Exchange Act.

(3) Rights of Disqualified Member, Sponsoring Member, Disqualified Person, and IEX Regulation

(A) In the event IEX Regulation does not approve a written request for relief from the eligibility requirements pursuant to paragraph (e)(1), the disqualified Member or sponsoring Member may file an application, and such Member shall have the right to proceed under IEX Rules 9.523 or 9.524, as applicable. IEX Regulation may require a disqualified Member or sponsoring Member to file an application with RAD, notwithstanding the provisions of paragraph (e)(1).

(B) In the event IEX Regulation does not approve an application pursuant to paragraph (e)(2), the disqualified Member or sponsoring Member shall have the right to proceed under IEX Rules 9.523 or 9.524, as applicable.

• • • Supplementary Material • • •

.01 Membership Application Requirements for Members and Persons Associated with a Member Who Are or Become Subject to a Statutory Disqualification.

This Supplementary Material describes when an IEX Member or Person Associated with a Member who is or becomes subject to a Statutory Disqualification must file a membership application.

(a) Statutory Disqualifications Arising from Willful Violations or Failure to Supervise (Exchange Act Section 15(b)(4)(D) or (E). With respect to disqualifications arising solely from findings specified in Exchange Act Section 15(b)(4)(D) or (E) by the SEC, CFTC or an SRO as defined in the Uniform Forms (i.e., Form U4, Form U5 and Form BD), a member shall file an application with IEX Regulation ("IEX Regulation") if the sanction is still in effect and:

(1) the disqualified member or person is seeking admission or readmission to the securities industry; or

(2) the disqualified member or person is seeking to continue in membership or association with a member, unless

(A) such member or person was as of March 17, 2009, a member of, or an associated person of another SRO and was, as of March 17, 2009, subject to the disqualification, in which event the member shall file an application with IEX Regulation only if there is a change in employer or if the member makes an application for the registration of the person as a principal pursuant to IEX rules.*

(b) Statutory Disqualifications Arising from Sarbanes-Oxley Act (Exchange Act Section 15(b)(4)(H). With respect to disqualifications arising solely from orders specified in Exchange Act Section 15(b)(4)(H)(i) and (ii), a member shall file an application with IEX Regulation if:

(1) the disqualified member or person is seeking admission or readmission to, or continuance in, the securities industry, unless:

*(A) such member or person is subject to a final order pursuant to Section 15(b)(4)(H)(ii)9**; and*

(B) the sanctions do not involve licensing or registration revocation or suspension (or analogous sanctions), and the sanctions are no longer in effect, in which event an application need not be filed; or

(C) the sanctions do involve licensing or registration revocation or suspension (or analogous sanctions), the sanctions are no longer in effect, and the order was entered 10 or more years ago, in which event an application need not be filed.

However, if the disqualified member or person was, as of March 17, 2009, a member of, or an associated person of a member of, another SRO and was, as of March 17, 2009, subject to a final order as described in Section 15(b)(4)(H)(ii) and:*

(2) the sanctions do not involve licensing or registration revocation or suspension (or analogous sanctions), and the sanctions are still in effect, the member shall file an application with IEX Regulation only if there is a change in employer, or if the member makes an application for the registration of the person as a principal pursuant to IEX rules; or

(3) the sanctions do involve licensing or registration revocation or suspension (or analogous sanctions), and the sanctions are no longer in effect, and the order was entered within the prior 10 years, the member shall file an application with IEX Regulation only if there is a change in employer, or if the member makes an application for the registration of the person as a principal pursuant to IEX rules.

Moreover, where such member or person was, as of March 17, 2009, a member of, or an associated person of a member of another SRO and was, as of March 17, 2009, subject to a bar as described in Exchange Act Section 15(b)(4)(H)(i), and the bar is still in effect*** (and is not related to fraudulent, manipulative, or deceptive conduct), the member shall file an application with IEX Regulation only if there is a change in employer or if the member makes an application for the registration of the person as a principal pursuant to IEX rules.*

(c) Statutory Disqualifications under Exchange Act Section 3(a)(39)(E) – Certain Affiliated Relationships

With respect to disqualifications arising solely under Section 3(a)(39)(E) of the Exchange Act, a member shall file an application with IEX Regulation if:

(1) the disqualified member or person is seeking admission or readmission to, or continuance in, the securities industry and the disqualified member or person is subject to a statutory disqualification under Exchange Act Section 3(a)(39)(E), solely because such member or person has associated with him any person who is known, or in the exercise of reasonable care should be known, to the disqualified member or person to be a person described by Exchange Act Section 3(a)(39)(A), (B), (C) or (D), and the associated person:

(A) controls such disqualified member or person, is a general partner or officer (or person occupying a similar status or performing similar functions) of such disqualified member, is an employee, who, on behalf of such disqualified member, is engaged in securities advertising, public relations, research, sales, trading, or training or supervision of other employees who engage or propose to engage in such activities, except clerical and ministerial persons engaged in such activities, or is an employee with access to funds, securities or books and records, or

(B) is a broker or dealer not registered with the SEC, or controls such (unregistered) broker or dealer, or is a general partner or officer (or person occupying a similar status or performing similar functions) of such broker or dealer.

However, the disqualified member or person seeking to continue in the securities industry is not required to file an application where such member or person was, as of March 17, 2009, a member of, or an associated person of a member of another SRO and was, as of March 17, 2009, subject to the disqualification.

** An associated person for purposes of IEX Rule 9.522 would include a person that was associated with a member of another SRO within 45 days prior to March 17, 2009, provided that the person was associated with another member of another SRO within 45 days after March 17, 2009.*

*** This would include a finding of aiding and abetting a violation of such laws.*

**** A person would no longer be subject to a statutory disqualification when the time limitation of a bar or license revocation has expired, provided that (1) application for reentry is not required or has been granted: (2) the bar or revocation has no continuing effect; and (3) the bar was not issued in connection with a final order based on violations of laws or regulations prohibiting fraudulent, manipulative or deceptive conduct, as described in Exchange Act Section 15(b)(4)(H)(ii). As an example, a person subject to a statutory disqualification based on a three-month bar (or three-year bar) that ends automatically and has no continuing effect would no longer be subject to a statutory disqualification at the end of the three months (or three years) under Exchange Act Section 15(b)(4)(H)(i), unless the bar was issued in connection with a final order based on violations of laws or regulations prohibiting fraudulent, manipulative or deceptive conduct, as described in Exchange Act Section 15(b)(4)(H)(ii).*

Rule 9.523. Acceptance of IEX Regulation Recommendations and Supervisory Plans by Consent Pursuant to Exchange Act Rule 19h-1

(a) With respect to all disqualifications, except those arisin g solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, after an application is filed, IEX Regulation may recommend the membership or continued membership of a disqualified Member or sponsoring Member or the association or continuing association of a disqualified person pursuant to a supervisory plan where the disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, consent to the recommendation and the imposition of the supervisory plan. The disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, shall execute a letter consenting to the imposition of the supervisory plan.

(1) If a disqualified Member, sponsoring Member, and/or disqualified person submitted an executed letter consenting to a supervisory plan, by the submission of such letter, the disqualified Member, sponsoring Member and/or disqualified person waive:

(A) the right to a hearing before a Hearing Panel and any right of appeal to the IEX Appeals Committee, the SEC, and the courts, or otherwise challenge the validity of the supervisory plan, if the supervisory plan is accepted.

(B) any right of the disqualified Member, sponsoring Member, and/or disqualified person to claim bias or prejudgment by IEX Regulation, the Chief Regulatory Officer, the IEX Appeals Committee, or any Member of the IEX Appeals Committee, in connection with such person's or body's participation in discussions regarding the terms and conditions of IEX Regulation's recommendation or the supervisory plan, or other consideration of the recommendation or supervisory plan, including acceptance or rejection of such recommendation or supervisory plan; and

(C) any right of the disqualified Member, sponsoring Member, and/or disqualified person to claim that a person violated the ex parte prohibitions of IEX Rule 9.143 or the separation of functions prohibitions of IEX Rule 9.144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the recommendation or supervisory plan, or other consideration of the recommendation or supervisory plan, including acceptance or rejection of such recommendation or supervisory plan.

(2) If a recommendation or supervisory plan is rejected, the disqualified Member, sponsoring Member, and/or disqualified person shall be bound by the waivers made under paragraph (a)(1) for conduct by persons or bodies occurring during the period beginning on the date the supervisory plan was submitted and ending upon the rejection of the supervisory plan and shall have the right to proceed under this IEX Rule and IEX Rule 9.524, as applicable.

(3) If the disqualified Member, sponsoring Member, and/or disqualified person execute the letter consenting to the supervisory plan, it shall be submitted to the Office of General Counsel by IEX Regulation with a proposed Notice under Exchange Act Rule 19h-1, where required. The Office of General Counsel shall forward the supervisory plan and proposed Notice under Exchange Act Rule 19h-1, if any, to the Chair of IEX Appeals Committee, acting on behalf of the Board. The Chair of the IEX Appeals Committee may accept or reject the recommendation of IEX Regulation.

(4) If the recommendation and supervisory plan is accepted by the IEX Appeals Committee, it shall be deemed final and, where required, the proposed Notice under Exchange Act Rule 19h-1 will be filed by IEX. If the recommendation and supervisory plan are rejected by the IEX Appeals Committee, IEX may take any other appropriate action with respect to the disqualified Member, sponsoring Member, and/or disqualified person. If the recommendation and supervisory plan are rejected, the disqualified Member, sponsoring Member, and/or disqualified person shall not be prejudiced by the execution of the letter consenting to the supervisory plan under this paragraph (a) and the letter may not be introduced into evidence in any proceeding.

(b) With respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, after an application is filed, in approving an application under IEX Rule 9.522(e)(2)(F), IEX Regulation is authorized to accept the Membership or continued Membership of a disqualified Member or sponsoring Member or the association or continuing association of a disqualified person pursuant to a supervisory plan where the disqualified Member, sponsoring Member, and/or disqualified persons, as the case may be, consent to the imposition of the supervisory plan. The disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, shall execute a letter consenting to the imposition of the supervisory plan. IEX Regulation shall prepare a proposed Notice under Exchange Act Rule 19h-1, where required, and IEX shall file such Notice.

(1) If a disqualified Member, sponsoring Member, and/or disqualified person submitted an executed letter consenting to a supervisory plan, by the submission of such letter, the disqualified Member, sponsoring Member and/or disqualified person waive:

(A) the right to a hearing before a Hearing Panel and any right of appeal to the IEX Appeals Committee, the SEC, and the courts, or otherwise challenge the validity of the supervisory plan, if the supervisory plan is accepted;

(B) any right of the disqualified Member, sponsoring Member, and/or disqualified person to claim bias or prejudgment by IEX Regulation or the Chief Regulatory Officer in connection with such person's or body's participation in discussions regarding the terms and conditions of IEX Regulation's recommended supervisory plan, or other consideration of the supervisory plan, including acceptance or rejection of such recommendation or supervisory plan; and

(C) any right of the disqualified Member, sponsoring Member, and/or disqualified person to claim that a person violated the ex parte prohibitions of IEX Rule 9.143 or the separation of functions prohibitions of IEX Rule 9.144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the supervisory plan, or other consideration of the supervisory plan, including acceptance or rejection of such supervisory plan.

(2) If the supervisory plan is rejected, the disqualified Member, sponsoring Member, and/or disqualified person shall be bound by the waivers made under paragraph (b)(1) for conduct by persons or bodies occurring during the period beginning on the date the supervisory plan was submitted and ending upon the rejection of the supervisory plan and shall have the right to proceed under IEX Rule 9.524.

Rule 9.524. IEX Appeals Committee Consideration

(a) Hearing Panel Consideration

(1) Appointment of Hearing Panel

When the disqualified Member, sponsoring firm, or applicant requests a hearing, the Chief Hearing Officer shall appoint a Hearing Panel composed of two or more members of the hearing board. The Hearing Panel shall conduct a hearing and recommend a decision on the request for relief.

(2) Notice of Hearing

The disqualified Member or sponsoring Member, as the case may be, and IEX Regulation shall be notified via mail, facsimile, or overnight courier of the location, time, and date of the hearing not less than fourteen business days before the hearing, unless the parties agree to shorten the time period.

(3) Transmission of Documents

(A) Upon receipt of an application, RAD shall gather all of the information necessary to process the application, including (i) RAD records for the disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, and the proposed supervisor; and (ii) all of the information submitted by the disqualified Member or sponsoring Member in support of the application. RAD will prepare an index of these documents, and simultaneously provide this index and copies of the documents to the disqualified Member or sponsoring Member, as the case may be, the Office of the General Counsel, and IEX Regulation. Such documents shall be served on the disqualified Member or sponsoring Member, as the case may be, by mail, facsimile, or overnight courier as soon as practicable. IEX Regulation, or FINRA on its behalf, shall serve its recommendation and its supporting documents on the Office of General Counsel and the disqualified Member or sponsoring Member, as the case may be, within ten business days of the hearing, unless the Parties agree otherwise. The disqualified Member or sponsoring Member, as the case may be, shall serve its documents on the Office of General Counsel and IEX Regulation within ten business days of the hearing, unless the Parties agree otherwise. The Office of General Counsel shall forward all documents transmitted to it pursuant to this paragraph (a)(3) to the Hearing Panel.

(B) Not less than ten business days before the hearing, IEX Regulation, or FINRA on its behalf, which shall act as a Party in the eligibility proceeding, and the disqualified Member or sponsoring Member, as the case

may be, shall serve proposed exhibit and witness lists on each other and the Office of General Counsel. The exhibit and witness lists shall be served by facsimile or overnight courier.

(C) At any time prior to the issuance of its recommendation, the Hearing Panel may order the Parties to supplement the record with any additional information that the Hearing Panel deems necessary.

(4) Rights of Disqualified Member, Sponsoring Member, Disqualified Person, and Department of Member Regulation

The disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, and, IEX Regulation, or FINRA on its behalf, shall be entitled to be heard in person, to be represented by an attorney, and to submit any relevant evidence.

(5) Extensions of Time, Postponements, and Adjournments

At any time prior to the issuance of the decision of the Hearing Panel, after obtaining consent of all the Parties, the Hearing Panel may shorten any time limits prescribed by the Code for the filing of any papers and may postpone or adjourn any hearing. The Hearing Panel may extend any time limits prescribed by the Code for the filing of any papers.

(6) Recordation of Hearing

The hearing shall be recorded and a transcript prepared by a court reporter. The disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, may purchase a copy of the transcript from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to the participants in the hearing, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(7) Record

The record shall consist of:

(A) the notice issued pursuant to IEX Rule 9.522(a), if applicable;

(B) all documents relied upon in issuing the notice under IEX Rule 9.522(a), if applicable;

(C) the application for relief filed pursuant to IEX Rule 9.522(b);

(D) any other submissions by the disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, and the Department of Member Regulation;

(E) any evidence considered at the hearing; and

(F) the transcript of the hearing and any corrections thereto.

(8) Custodian of the Record

The custodian of the record shall be the Office of General Counsel of IEX.

(9) Evidence Not Admitted

Evidence that is proffered but not admitted during the hearing shall not be part of the record, but shall be retained by the custodian of the record until the date when IEX's decision becomes final or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(10) Recommendation

On the basis of the record, the Hearing Panel shall present a recommended decision in writing on the request for relief to the IEX Appeals Committee. Notwithstanding the foregoing, with respect to an IEX member that is an affiliate of IEX within the meaning of IEX Rule 2.210, the Hearing Panel shall prepare a final decision meeting the requirements of IEX Rule 9524(b)(2), which shall not be reviewed by the IEX Appeals Committee, and may not be called for review by the IEX Board pursuant to IEX Rule 9.525.

(b) Decision

(1) Decision of the IEX Appeals Committee

After considering the record and recommendation of the Hearing Panel, the public interest, and the protection of investors, the IEX Appeals Committee may grant or deny the request for relief, and, if relief is granted, impose conditions on the disqualified member, sponsoring member, and/or disqualified person, as the case may be. At any time prior to the issuance of its recommendation, the IEX Appeals Committee may order the Parties to supplement the record with any additional information that the IEX Appeals Committee deems necessary. Alternatively, the IEX Appeals Committee may remand the eligibility proceeding. The IEX Appeals Committee shall prepare a proposed written decision pursuant to subparagraph (b)(2).

(2) Contents of Decision

The decision shall include:

(A) a description of the origin of the eligibility proceeding and the nature of the disqualification;

(B) a description of the prospective business or employment requested to be engaged in; and

(C) a statement in support of the disposition of the request for relief, which, if granted, includes any of the applicable elements under Exchange Act Rule 19h-1(e) and a description of any conditions that are imposed on the disqualified Member, sponsoring Member, or disqualified person, as the case may be.

(3) Issuance of Decision After Expiration of Call for Review Period

The IEX Appeals Committee shall provide its proposed written decision to the Board. The Board may call the eligibility proceeding for review pursuant to IEX Rule 9.525. If the Board does not call the eligibility proceeding for review, the proposed written decision of the IEX Appeals Committee shall become final, and the IEX Appeals Committee shall serve its written decision on the disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, and IEX Regulation pursuant to IEX Rules 9.132 and 9.134. The decision shall constitute final action of IEX, unless the IEX Appeals Committee remands the eligibility proceeding.

A decision to deny re-entry or continued association shall be effective immediately. A decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC ordered sanctions, an order.

Rule 9.525. Discretionary Review by the IEX Board

(a) Call for Review by Director

A Director may call an eligibility proceeding for review by the Board if the call for review is made within the period prescribed in paragraph (b).

(b) 15 Day Period; Waiver

A Director shall make his or her call for review not later than the next meeting of the Board that is at least 15 days after the date on which the Board receives the proposed written decision of the IEX Appeals Committee. By a unanimous vote of the Board, the Board may shorten the period to less than 15 days. By an affirmative vote of the

majority of the Board then in office, the Board may, during the 15 day period, vote to extend the period to more than 15 days.

(c) Review at Next Meeting

If a Director calls an eligibility proceeding for review within the period prescribed in paragraph (b), the Board shall review the eligibility proceeding not later than the next meeting of the Board. The Board may order the filing of briefs in connection with its review proceedings pursuant to this IEX Rule 9.525.

(d) Decision of IEX Board, Including Remand

After review, the Board may affirm, modify, or reverse the proposed written decision of the IEX Appeals Committee. Alternatively, the Board may remand the eligibility proceeding with instructions. The Board shall prepare a written decision that includes all of the elements described in IEX Rule 9.524(b)(2).

(e) Issuance of Decision

The Board shall issue and serve its written decision on the disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, and the Department of Member Regulation pursuant to IEX Rules 9.132 and 9.134. The decision shall constitute the final action of IEX, unless the Board remands the proceeding. A decision to deny re-entry or continued association shall be effective immediately. A decision to approve shall be effective after the SEC issues an acknowledgment letter or, in cases involving SEC-ordered sanctions, an order.

Rule 9.526. Expedited Review

(a) Direction by Executive Committee

Notwithstanding IEX Rules 9.524 and 9.525, the Board, upon request of the IEX Appeals Committee, may conduct an expedited review of a recommended written decision of the IEX Appeals Committee if the IEX Board Executive Committee determines that expedited review is necessary for the protection of investors.

(b) Call for Review Period

If a recommended decision is subject to expedited review, a Director may call the eligibility proceeding for review within seven days after receipt of the recommended written decision.

(c) No Call for Review

If no Director calls the proceeding for review within the time prescribed, the decision shall become final, and the IEX Appeals Committee shall serve the decision on the disqualified Member, sponsoring Member, and/or disqualified person, as the case may be, and IEX Regulation pursuant to IEX Rules 9.132 and 9.134. The decision shall constitute final action of IEX. The decision shall be effective upon approval by the SEC.

(d) Call for Review

If a Director calls the eligibility proceeding for review within the prescribed time, a review panel shall meet and conduct a review not later than 14 days after the call for review. The review panel shall be composed of the IEX Board Executive Committee, except that the Director who calls the proceeding for review shall serve on the review panel in lieu of a Member of the Executive Committee who has the same classification (Industry or Public) as such Director. The review panel may affirm, modify, or reverse the recommended written decision of the IEX Appeals Committee or remand the eligibility proceeding with instructions. The review panel shall prepare, issue, and serve its decision pursuant to IEX Rule 9.525(d) and (e).

Rule 9.527. Application to SEC for Review

The right to have any action taken pursuant to this IEX Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of final action by IEX, unless the SEC otherwise orders.

Rule Series 9.550. EXPEDITED PROCEEDINGS

Rule 9.551. Reserved.

Rule 9.552. Failure to Provide Information or Keep Information Current

(a) Notice of Suspension of Member, Person Associated with a Member or Pers on Subject to IEX's Jurisdiction if Corrective Action is Not Taken

If a Member, person associated with a Member or person subject to IEX's jurisdiction fails to provide any information, report, material, data, or testimony requested or required to be filed pursuant to the IEX Operating Agreement or IEX Rules, or fails to keep its membership application or supporting documents current, IEX staff may provide written notice to such Member or person specifying the nature of the failure and stating that the failure to take corrective action within 21 days after service of the notice will result in suspension of membership or of association of the person with any Member.

(b) Service of Notice of Suspension

Except as provided below, IEX staff shall serve the Member or person with such notice in accordance with IEX Rule 9.134. A copy of a notice under this IEX Rule that is served on a person associated with a Member also shall be served on such Member. When counsel for the Member or person, or other person authorized to represent others under IEX Rule 9.141 agrees to accept service of such notice, then IEX staff may serve notice on counsel or other person authorized to represent others under IEX Rule 9.141 as specified in IEX Rule 9.134.

(c) Contents of Notice

A notice issued under this IEX Rule shall state the specific grounds and include the factual basis for the IEX action. The notice shall state when the IEX action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to IEX Rule 9.559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the IEX action. In addition, the notice shall explain that, pursuant to IEX Rules 8.310(a) and 9.559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension

The suspension referenced in a notice issued and served under this IEX Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to IEX Rule 9.559.

(e) Request for Hearing

A Member or person served with a notice under this IEX Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this IEX Rule. A request for a hearing must set forth with specificity any and all defenses to the IEX action.

(f) Request for Termination of the Suspension

A Member or person subject to a suspension pursuant to this IEX Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with IEX Regulation. The Chief Regulatory Officer, or delegatee, may grant relief for good cause shown.

(g) Settlement Procedure

Uncontested offers of settlement shall be permitted under this IEX Rule and shall conform to the requirements of IEX Rule 9.270, except that, if an uncontested offer of settlement, made under IEX Rule 9.270(e) after a hearing on the merits has begun, is accepted by the Hearing Officer, the Hearing Officer shall issue the order of acceptance, which shall constitute final IEX action. Contested offers of settlement shall not be considered in proceedings initiated under this IEX Rule.

(h) Defaults

A Member or person who is suspended under this IEX Rule and fails to request termination of the suspension within three months of issuance of the original notice of suspension will automatically be expelled or barred.

Rule 9.553. Failure to Pay IEX Dues, Fee and Other Charges

(a) Notice of Suspension, Cancellation or Bar

If a Member, person associated with a Member or person subject to IEX 's jurisdiction fails to pay any fees, dues, assessment or other charge required to be paid under the IEX Operating Agreement or rules, or to submit a required report or information related to such payment, IEX Regulation may issue a written notice to such Member or person stating that the failure to comply within 21 days of service of the notice will result in a suspension or cancellation of membership or a suspension or bar from associating with any Member.

(b) Service of Notice of Suspension, Cancellation or Bar

Except as provided below, IEX Regulation shall serve the Member or person with such notice in accordance with IEX Rule 9.134. A copy of a notice under this IEX Rule that is served on a person associated with a Member also shall be served on such Member. When counsel for the Member or person, or other person authorized to represent others under IEX Rule 9.141 agrees to accept service of such notice, then IEX Regulation may serve notice on counsel or other person authorized to represent others under IEX Rule 9.141 as specified in IEX Rule 9.134.

(c) Contents of Notice

A notice issued under this IEX Rule shall state the specific grounds and include the factual basis for the IEX action. The notice shall state when the IEX action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to IEX Rule 9.559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the IEX action. In addition, the notice shall explain that, pursuant to IEX Rules 8.310(a) and 9.559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension, Cancellation or Bar

The suspension, cancellation or bar referenced in a notice issued and served under this IEX Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to IEX Rule 9.559.

(e) Request for Hearing

A Member or person served with a notice under this IEX Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559. A request for a hearing shall be made before the effective date of

the notice, as indicated in paragraph (d) of this IEX Rule. A request for a hearing must set forth with specificity any and all defenses to the IEX action.

(f) Failure to Request Hearing

If a Member or person does not timely request a hearing, the suspension, cancellation or bar specified in the notice shall become effective 21 days after service of the notice and the notice shall constitute final IEX action.

(g) Request for Termination of the Suspension

A Member or person subject to a suspension under this IEX Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with IEX Regulation. The Chief Regulatory Officer, or delegatee, may grant relief for good cause shown.

Rule 9.554. Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution

(a) Notice of Suspension or Cancellation

If a Member, person associated with a Member or person subject to IEX 's jurisdiction fails to comply with an arbitration award or a settlement agreement related to an arbitration or mediation under Article X, Section 2 of the IEX Operating Agreement or an IEX order of restitution or IEX settlement agreement providing for restitution, IEX staff may provide written notice to such Member or person stating that the failure to comply within 21 days of service of the notice will result in a suspension or cancellation of membership or a suspension from associating with any Member. When a Member or associated person fails to comply with an arbitration award or a settlement agreement related to an arbitration or mediation under Article VI, Section 3 of the IEX Operating Agreement involving a customer, a claim of inability to pay is no defense.

(b) Service of Notice of Suspension or Cancellation

Except as provided below, IEX Regulation shall serve the Member or person with such notice in accordance with IEX Rule 9.134. A copy of a notice under this IEX Rule that is served on a person associated with a Member also shall be served on such Member. When counsel for the Member or person, or other person authorized to represent others under IEX Rule 9.141 agrees to accept service of such notice, then IEX Regulation may serve notice on counsel or other person authorized to represent others under IEX Rule 9.141 as specified in IEX Rule 9.134.

(c) Contents of Notice

A notice issued under this IEX Rule shall state the specific grounds and include the factual basis for the IEX action. The notice shall state when the IEX action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to IEX Rule 9.559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the IEX action. In addition, the notice shall explain that, pursuant to IEX Rules 8.310(a) and 9.559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension or Cancellation

The suspension or cancellation referenced in a notice issued and served under this IEX Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to IEX Rule 9.559.

(e) Request for Hearing

A Member or person served with a notice under this IEX Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this IEX Rule. A request for a hearing must set forth with specificity any and all defenses to the IEX action.

(f) Failure to Request Hearing

If a Member or person does not timely request a hearing, the suspension or cancellation specified in the notice shall become effective 21 days after the service of the notice and the notice shall constitute final IEX action.

(g) Request for Termination of the Suspension

A Member or person subject to a suspension under this IEX Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with IEX Regulation. The Chief Regulatory Officer, or delegatee, may grant relief for good cause shown.

Rule 9.555. Failure to Meet the Eligibility or Qualification Standards or Prerequisites for Access to Services

(a) Notice to Member or Person of Suspension, Cancellation, Bar, or Limitation or Prohibition on Access to Services

(1) If a Member or an associated person does not meet the eligibility or qualification standards set forth in the IEX Operating Agreement or IEX Rules, IEX Regulation may provide written notice to such Member or person stating that the failure to become eligible or qualified will result in a suspension or cancellation of membership or a suspension or bar from associating with any Member.

(2) If a Member, associated person, or other person does not meet the prerequisites for access to services offered by IEX or a Member thereof or cannot be permitted to continue to have access to services offered by IEX or a Member thereof with safety to investors, creditors, Members, or IEX, IEX Regulation may provide written notice to such Member or person limiting or prohibiting access to services offered by IEX or a Member thereof.

(b) Service of Notice

Except as provided below, IEX Regulation shall serve the Member or person with such notice in accordance with IEX Rule 9.134. A copy of a notice under this IEX Rule that is served on a person associated with a Member also shall be served on such Member. When counsel for the Member or person, or other person authorized to represent others under IEX Rule 9.141 agrees to accept service of such notice, then IEX Regulation may serve notice on counsel or other person authorized to represent others under IEX Rule 9.141 as specified in IEX Rule 9.134.

(c) Contents of Notice

A notice issued under this IEX Rule shall state the specific grounds and include the factual basis for the IEX action. The notice shall state when the IEX action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to IEX Rule 9.559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the IEX action. In addition, the notice shall explain that, pursuant to IEX Rules 8.310(a) and 9.559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Limitation, Prohibition, Suspension, Cancellation or Bar

The limitation, prohibition, suspension, cancellation or bar referenced in a notice issued under this IEX Rule shall become effective 14 days after service of the notice, except that the effective date for a notice of a limitation or

prohibition on access to services offered by IEX or a Member thereof with respect to services to which the Member or person does not have access shall be upon service of the notice. A request for a hearing, pursuant to IEX Rule 9.559, shall stay the effectiveness of the notice, except that the effectiveness of a notice of a limitation or prohibition on access to services offered by IEX or a Member thereof with respect to services to which the Member or person does not have access shall not be stayed by a request for a hearing.

(e) Request for Hearing

A Member or person served with a notice under this IEX Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559. A request for a hearing shall be made within 14 days after service of the notice. A request for a hearing must set forth with specificity any and all defenses to the IEX action.

(f) Failure to Request Hearing

If a Member or person does not timely request a hearing, the limitation, prohibition, suspension, cancellation or bar specified in the notice shall become effective 14 days after service of the notice, except that the effective date for a notice of a limitation or prohibition on access to services offered by IEX or a Member thereof with respect to services to which the Member or person does not have access shall be upon service of the notice. The notice shall constitute final IEX action if the Member or person does not request a hearing within 14 days after service of the notice.

(g) Request for Termination of the Limitation, Prohibition or Suspension

A Member or person subject to a limitation, prohibition or suspension under this IEX Rule may file a written request for termination of the limitation, prohibition or suspension on the ground of full compliance with the notice or decision. Such request shall be filed with IEX Regulation. The Chief Regulatory Officer, or delegatee, may grant relief for good cause shown.

Rule 9.556. Failure to Comply with Temporary and Permanent Cease and Desist Orders

(a) Notice of Suspension, Cancellation or Bar

If a Member, person associated with a Member or person subject to IEX's jurisdiction fails to comply with a temporary or permanent cease and desist order issued under IEX Rule Series 9.200, 9.300, or 9.800, IEX staff, after receiving written authorization from IEX 's Chief Regulatory Officer or such other senior officer as the Chief Regulatory Officer may designate, may issue a notice to such Member or person stating that the failure to comply with the temporary or permanent cease and desist order within seven days of service of the notice will result in a suspension or cancellation of Membership or a suspension or bar from associating with any Member.

(b) Service of Notice

IEX Regulation shall serve the Member or person subject to a notice issued under this IEX Rule (or upon counsel representing the Member or person, or other person authorized to represent others under IEX Rule 9.141, when counsel or other person authorized to represent others under IEX Rule 9.141 agrees to accept service for the Member or person) by facsimile, overnight courier or personal delivery. Papers served on a Member, person or counsel for such Member or person, or other person authorized to represent others under IEX Rule 9.141 by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and, with respect to a Member or person, (b)(1) and (2) of IEX Rule 9.134. Papers served on a Member by facsimile shall be sent to the facsimile number listed in the Member's contact questionnaire submitted to IEX pursuant to Article 4, Section III of the IEX Operating Agreement, except that, if IEX Regulation has actual knowledge that an entity's contact questionnaire facsimile number is out of date, duplicate copies shall be sent to the entity by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of IEX Rule 9.134. Papers served on a person by facsimile shall be sent to the person's last known facsimile number and shall also be served by either overnight courier or personal delivery in conformity with

paragraphs (a)(1) and (3) and (b)(1) of IEX Rule 9.134. Papers served on counsel for a Member or person, or other person authorized to represent others under IEX Rule 9.141 by facsimile shall be sent to the facsimile number that counsel or other person authorized to represent others under IEX Rule 9.141 provides and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) of IEX Rule 9.134. A copy of a notice under this IEX Rule that is served on a person associated with a Member also shall be served on such Member. Service is complete upon sending the notice by facsimile, mailing the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete upon sending the duplicate service.

(c) Contents of Notice

The notice shall explicitly identify the provision of the permanent or temporary cease and desist order that is alleged to have been violated and shall contain a statement of facts specifying the alleged violation. The notice shall state when the IEX action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to IEX Rule 9.559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the IEX action. In addition, the notice shall explain that, pursuant to IEX Rules 8.310(a) and 9.559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension, Cancellation or Bar

The suspension, cancellation or bar referenced in a notice issued and served under this IEX Rule shall become effective seven days after service of the notice, unless stayed by a request for a hearing pursuant to IEX Rule 9.559.

(e) Request for a Hearing

A Member served with a notice under this IEX Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this IEX Rule. A request for a hearing must set forth with specificity any and all defenses to the IEX action.

(f) Failure to Request Hearing

If a Member or person does not timely request a hearing, the suspension, cancellation or bar specified in the notice shall become effective seven days after the service of the notice and the notice shall constitute final IEX action.

(g) Request for Termination of the Suspension

A Member or person subject to a suspension under this IEX Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with IEX Regulation. The Chief Regulatory Officer, or delegatee, may grant relief for good cause shown.

Rule 9.557. Procedures for Regulating Activities Under IEX Rules 4.110 and 4.120 Regarding a Member Experiencing Financial or Operational Difficulties

(a) Notice of Requirements and/or Restrictions; IEX Action

IEX Regulation may issue a notice directing a Member to comply with the provisions of IEX Rules 4.110 or 4.120 or restrict its business activities, either by limiting or ceasing to conduct those activities consistent with IEX Rules 4.110 or 4.120, if IEX Regulation has reason to believe that a condition specified in IEX Rules 4.110 or 4.120 or exists. A notice served under this IEX Rule shall constitute IEX action.

(b) Service of Notice

IEX Regulation shall serve the Member subject to a notice issued under this IEX Rule by facsimile, overnight courier, or personal delivery. Papers served on a Member by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and (b)(2) of IEX Rule 9.134. Papers served on a Member by facsimile shall be sent to the facsimile number listed in the Member's contact questionnaire submitted to IEX pursuant to Article 4, Section III of the IEX Operating Agreement, except that, if IEX staff has actual knowledge that an entity's contact questionnaire facsimile number is out of date, duplicate copies shall be sent to the entity by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of IEX Rule 9.134. Service is complete upon sending the notice by facsimile, mailing the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete upon sending the duplicate service.

(c) Contents of Notice

A notice issued under this IEX Rule shall:

(1) state the specific grounds and include the factual basis for the IEX action;

(2) specify the date of the notice and the requirements and/or restrictions being imposed by the notice;

(3) state that the requirements and/or restrictions imposed by the notice are immediately effective;

(4) specify the conditions for complying with and, where applicable, avoiding or terminating the requirements and/or restrictions imposed by the notice;

(5) inform the Member that, pursuant to paragraph (f) of this IEX Rule, the failure to comply with the requirements and/or restrictions imposed by an effective notice under this IEX Rule shall be deemed, without further notice from IEX staff, to result in automatic and immediate suspension unless IEX staff issues a letter of withdrawal of all requirements and/or restrictions imposed by the notice pursuant to paragraph (g)(2) of this IEX Rule;

(6) explain that the Member may make a request for a letter of withdrawal of the notice pursuant to paragraph (e) of this IEX Rule;

(7) state that, in addition to making a request for a letter of withdrawal of the notice, the Member may file a written request for a hearing with the Office of Hearing Officers pursuant to IEX Rule 9.559;

(8) inform the Member of the applicable deadline for filing a request for a hearing and state that a request for a hearing must set forth with specificity any and all defenses to the IEX action; and

(9) explain that, pursuant to IEX Rule 9.559(n), a Hearing Panel may approve or withdraw the requirements and/or restrictions imposed by the notice, and that if the Hearing Panel approves the requirements and/or restrictions imposed by the notice and finds that the Member has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the Member.

(d) Effectiveness of the Requirements and/or Restrictions

The requirements and/or restrictions imposed by a notice issued and served under this IEX Rule are immediately effective, except that a timely request for a hearing shall stay the effective date for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under IEX Rule 9.559(o)(4)(A) (whichever period is less), unless IEX's Chief Regulatory Officer (or such other senior officer as the Chief Regulatory Officer may designate) determines that such a stay cannot be permitted with safety to investors, creditors or other Members. Such a determination by IEX's Chief Regulatory Officer (or such other senior officer as the Chief Regulatory Officer may designate) cannot be appealed. An extension of the stay period is not permitted. Where a timely request for a hearing stays the action for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under IEX Rule 9.559(o)(4)(A) (whichever period is less), the notice shall not be deemed to have taken effect during that entire period.

Any requirements and/or restrictions imposed by an effective notice shall remain in effect unless IEX staff shall remove or reduce the requirements and/or restrictions pursuant to a letter of withdrawal of the notice issued as set forth in paragraph (g)(2) of this IEX Rule.

(e) Request for a Letter of Withdrawal of the Notice; Request for a Hearing

A Member served with a notice under this IEX Rule may request from IEX Regulation a letter of withdrawal of the notice pursuant to paragraph (g)(2) of this IEX Rule and/or file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559.

(1) A request for a letter of withdrawal of the notice may be made at any time after service of a notice under this IEX Rule. The Member making the request must demonstrate to the satisfaction of IEX Regulation that the requirements and/or restrictions imposed by the notice should be removed or reduced. If such a request is denied by IEX Regulation, the Member shall not be precluded from making a subsequent request or requests.

(2) A request for a hearing shall be made within two business days after service of a notice under this IEX Rule. A request for a hearing must set forth with specificity any and all defenses to the IEX action. A request for a hearing may seek to contest:

(A) the validity of the requirements and/or restrictions imposed by the notice (as the same may have been reduced by a letter of withdrawal pursuant to paragraph (g)(2) of this IEX Rule, where applicable); and/or

(B) IEX Regulation's determination not to issue a letter of withdrawal of all requirements and/or restrictions imposed by the notice, if such was requested by the Member.

(f) Enforcement of Notice

A Member that has failed to comply with the requirements and/or restrictions imposed by an effective notice under this IEX Rule shall be deemed, without further notice from IEX Regulation, automatically and immediately suspended. Such suspension shall remain in effect unless IEX Regulation shall issue a letter, pursuant to paragraph (g)(2) of this IEX Rule, stating that the suspension is lifted.

(g) Additional Requirements and/or Restrictions or the Removal or Reduction of Requirements and/or Restrictions; Letter of Withdrawal of the Notice

(1) Additional Requirements and/or Restrictions

If a Member continues to experience financial or operational difficulty specified in IEX Rules 4.110 or 4.120, notwithstanding an effective notice, IEX Regulation may impose additional requirements and/or restrictions by serving an additional notice under paragraph (b) of this IEX Rule. The additional notice shall inform the Member that it may apply for relief from the additional requirements and/or restrictions by filing a written request for a letter of withdrawal of the notice and/or a written request for a hearing before the Office of Hearing Officers under IEX Rule 9.559. The procedures delineated in this IEX Rule shall be applicable to such additional notice.

(2) Removal or Reduction of Requirements and/or Restrictions and/or Lifting of Suspension; Letter of Withdrawal

(A) Removal or Reduction of Requirements and/or Restrictions

If, upon the Member's demonstration to the satisfaction of IEX Regulation, IEX Regulation determines that any requirements and/or restrictions imposed by a notice under this IEX Rule should be removed or reduced, IEX Regulation shall serve the Member, pursuant to paragraph (b) of this IEX Rule, a written letter of withdrawal that shall, in the sole discretion of IEX Regulation, withdraw the notice in whole or in part. A notice that is withdrawn in part shall remain in force, unless IEX Regulation shall remove the remaining requirements and/or restrictions.

(B) Lifting of Suspension

If, upon the Member's demonstration to the satisfaction of IEX Regulation, IEX Regulation determines that a suspension imposed by a notice under this IEX Rule should be lifted, IEX Regulation shall serve the Member, pursuant to paragraph (b) of this IEX Rule, a letter that shall, in the sole discretion of IEX Regulation, lift the suspension. Where all or some of the requirements and/or restrictions imposed by a notice issued under this IEX Rule remain in force, the letter shall state that the Member's failure to continue to comply with those requirements and/or restrictions that remain effective shall result in the Member being immediately suspended.

Rule 9.558. Summary Proceedings for Actions Authorized by Section 6(d)(3) of the Exchange Act

(a) Notice of Initiation of Summary Proceedings

IEX's Chief Regulatory Officer or such other senior officer as the Chief Regulatory Officer may designate may provide written authorization to IEX staff to issue on a case-by-case basis a written notice that summarily:

(1) suspends a Member, person associated with a Member or person subject to IEX 's jurisdiction who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a Member of any self-regulatory organization;

(2) suspends a Member who is in such financial or operating difficulty that IEX staff determines and so notifies the SEC that the Member cannot be permitted to continue to do business as a Member with safety to investors, creditors, other Members, or IEX; or

(3) limits or prohibits any person with respect to access to services offered by IEX if paragraphs (a)(1) or (2) of this IEX Rule or the provisions of Section 6(d)(3) of the Exchange Act applies to such person or, in the case of a person who is not a Member, if IEX's Chief Regulatory Officer or such other senior officer as the Chief Regulatory Officer may designate determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, Members, or IEX, and so notifies the SEC.

(b) Service of Notice

The Member or person subject to a notice issued under this IEX Rule shall be served by facsimile, overnight courier or personal delivery. Papers served on a Member or person by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and (b)(1) and (2) of IEX Rule 9.134. Papers served on a Member by facsimile shall be sent to the facsimile number listed in the Member's contact questionnaire submitted to IEX pursuant to Article 4, Section III of the IEX Operating Agreement, except that, if IEX staff has actual knowledge that an entity's contact questionnaire facsimile number is out of date, duplicate copies shall be sent to the entity by overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(2) of IEX Rule 9.134. Papers served on a person by facsimile shall be sent to the person's last known facsimile number and shall also be served by either overnight courier or personal delivery in conformity with paragraphs (a)(1) and (3) and (b)(1) of IEX Rule 9.134. A copy of a notice under this IEX Rule that is served on a person associated with a Member also shall be served on such Member. Service is complete upon sending the notice by facsimile, mailing the notice by overnight courier or delivering it in person, except that, where duplicate service is required, service is complete upon sending the duplicate service.

(c) Contents of Notice

A notice issued under this IEX Rule shall state the specific grounds and include the factual basis for the IEX action. The notice shall state when the IEX action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing

Officers pursuant to IEX Rule 9.559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the IEX action. In addition, the notice shall explain that, pursuant to IEX Rules 8.310(a) and 9.559 (n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Limitation, Prohibition or Suspension

The limitation, prohibition or suspension referenced in a notice issued and served under this IEX Rule is immediately effective. The limitation, prohibition or suspension specified in the notice shall remain in effect unless, after a timely written request for a hearing and written request for a stay, the Chief Hearing Officer or Hearing Officer assigned to the matter finds good cause exists to stay the limitation, prohibition or suspension.

(e) Request for a Hearing and Stay

A Member or person subject to a notice issued under this IEX Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to IEX Rule 9.559. A request for a hearing shall be made within seven days after service of the notice issued under this IEX Rule. A request for a hearing must set forth with specificity any and all defenses to the IEX action.

A Member or person subject to a notice issued under this IEX Rule may, concurrent with or after filing a request for a hearing, file with the Office of Hearing Officers a written request for a stay of the limitation, prohibition or suspension specified in the notice. A request for a stay must set forth with specificity any and all relevant facts and arguments supporting the request for a stay.

(f) Failure to Request Hearing

If a Member or person subject to a notice issued under this IEX Rule does not timely request a hearing within the time period specified in paragraph (e) of this IEX Rule, the notice shall constitute final IEX action.

(g) Request for Termination of the Limitation, Prohibition or Suspension

A Member or person subject to a limitation, prohibition or suspension under this IEX Rule may file a written request for termination of the limitation, prohibition or suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the IEX Chief Regulatory Officer who may grant relief for good cause shown.

Rule 9.559. Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series

(a) Applicability

The hearing procedures under this IEX Rule shall apply to a Member, person associated with a Member, person subject to IEX's jurisdiction or other person who is served with a notice issued under IEX Rule 9.550 and who timely requests a hearing. For purposes of this IEX Rule, such Members or persons shall be referred to as respondents.

(b) Computation of Time

IEX Rule 9.138 shall govern the computation of time in proceedings brought under IEX Rule 9.550, except that intermediate Saturdays, Sundays and Federal holidays shall be included in the computation in proceedings brought under IEX Rules 9.556 through 9.558, unless otherwise specified.

(c) Stays

(1) Unless the Chief Hearing Officer or the Hearing Officer assigned to the matter orders otherwise for good cause shown, a timely request for a hearing shall stay the effectiveness of a notice issued under IEX Rules 9.551 through 9.556, except that the effectiveness of a notice of a limitation or prohibition on access to services

offered by IEX or a Member thereof under IEX Rule 9.555 with respect to services to which the Member or person does not have access shall not be stayed by a request for a hearing.

(2) A timely request for a hearing shall stay the effectiveness of a notice issued under IEX Rule 9.557 for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under IEX Rule 9.559(o)(4)(A) (whichever period is less), unless IEX's Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate) determines that a notice under IEX Rule 9.557 shall not be stayed. Where a notice under IEX Rule 9.557 is stayed by a request for a hearing, such stay shall remain in effect only for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under IEX Rule 9.559(o)(4)(A) (whichever period is less) and shall not be extended.

(3) A timely request for a hearing shall not stay the effectiveness of a notice issued under IEX Rule 9.558, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter orders otherwise for good cause shown.

(d) Appointment and Authority of Hearing Officer and/or Hearing Panel

(1) For proceedings initiated under IEX Rules 9.553 and 9.554, the Chief Hearing Officer shall appoint a Hearing Officer to preside over and act as the sole adjudicator for the matter.

(2) For proceedings initiated under IEX Rules 9.551, 9.552, 9.555, 9.556, 9.557, and 9.558, the Chief Hearing Officer shall appoint a Hearing Panel composed of a Hearing Officer and two Panelists. The Hearing Officer shall serve as the chair of the Hearing Panel. For proceedings initiated under IEX Rules 9.551, 9.552, 9.555, 9.556, and 9.558, the Chief Hearing Officer shall select as Panelists persons who meet the qualifications delineated in IEX Rules 9.231 and 9.232. For proceedings initiated under IEX Rule 9.557, the Chief Hearing Officer shall select as Panelists current or former members of the IEX Financial Responsibility Committee.

(3) IEX Rules 9.231(e), 9.233, and 9.234 shall govern disqualification, recusal or withdrawal of a Hearing Officer or, if applicable, Hearing Panelist.

(4) A Hearing Officer appointed pursuant to this provision shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth under IEX Rules 9.235 and 9.280.

(5) Hearings under Exchange the Rule 9.550 Series shall be held by telephone conference, unless the Hearing Officer orders otherwise for good cause shown.

(6) For good cause shown, or with the consent of all of the parties to a proceeding, the Hearing Officer or, if applicable, the Hearing Panel may extend or shorten any time limits prescribed by this IEX Rule other than those relating to IEX Rule 9.557.

(e) Consolidation or Severance of Proceedings

IEX Rule 9.214 shall govern the consolidation or severance of proceedings, except that, where one of the notices that are the subject of consolidation under this IEX Rule requires that a hearing be held before a Hearing Panel, the hearing of the consolidated matters shall be held before a Hearing Panel. Where two consolidated matters contain different timelines under this IEX Rule, the Chief Hearing Officer or Hearing Officer assigned to the matter has discretion to determine which timeline is appropriate under the facts and circumstances of the case. Where one of the consolidated matters includes an action brought under a Rule that does not permit a stay of the effectiveness of the notice or where IEX's Chief Executive Officer (or such other senior officer as the Chief Executive Officer may designate), in the case of IEX Rule 9.557, or Hearing Officer, in the case of IEX Rule 9.558(d), determines that a request for a hearing shall not stay the effectiveness of the notice, the limitation, prohibition, condition, requirement, restriction, or suspension specified in the notice shall not be stayed pending resolution of the case. Where one of the consolidated matters includes an action brought under IEX Rule 9.557 that is stayed for up to ten business days, the requirement and/or restriction specified in the notice shall not be further stayed.

(f) Time of Hearing

(1) A hearing shall be held within five business days after a respondent subject to a notice issued under IEX Rule 9.557 files a written request for a hearing with the Office of Hearing Officers.

(2) A hearing shall be held within 14 days after a respondent subject to a notice issued under IEX Rules 9.556 and 9.558 files a written request for a hearing with the Office of Hearing Officers.

(3) A hearing shall be held within 30 days after a respondent subject to a notice issued under IEX Rules 9.551 through 9.555 files a written request for a hearing with the Office of Hearing Officers.

(4) The timelines established by paragraphs (f)(1) through (f)(3) confer no substantive rights on the parties.

(g) Notice of Hearing

The Hearing Officer shall issue a notice stating the date, time, and place of the hearing as follows:

(1) At least two business days prior to the hearing in the case of an action brought pursuant to IEX Rule 9.557;

(2) At least seven days prior to the hearing in the case of an action brought pursuant to IEX Rules 9.556 and 9.558; and

(3) At least 21 days prior to the hearing in the case of an action brought pursuant to IEX Rules Exchange 9.551 through 9.555.

(h) Transmission of Documents

(1) Not less than two business days before the hearing in an action brought under IEX Rule 9.557, not less than seven days before the hearing in an action brought under IEX Rules 9.556 and 9.558, and not less than 14 days before the hearing in an action brought under IEX Rules 9.551 through 9.555, IEX staff shall provide to the respondent who requested the hearing, by facsimile or overnight courier, all documents that were considered in issuing the notice unless a document meets the criteria of IEX Rule 9.251(b)(1)(A), (B), (C), or (b)(2). A document that meets such criteria shall not constitute part of the record, but shall be retained by IEX until the date upon which IEX serves a final decision or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(2) Not less than two business days before the hearing in an action brought under IEX Rule 9.557, not less than three days before the hearing in an action brought under IEX Rules 9.556 and 9.558, and not less than seven days before the hearing in an action brought under IEX Rules 9.551 through 9.555, the parties shall exchange proposed exhibit and witness lists. The exhibit and witness lists shall be served by facsimile or by overnight courier.

(i) Evidence

Formal rules of evidence shall not apply to a hearing under this IEX Rule Series. IEX Rules 9.262 and 9.263 shall govern testimony and the admissibility of evidence.

(j) Additional Information

The Hearing Officer or, if applicable, the Hearing Panel may direct the Parties to submit additional information.

(k) Record of Hearing

IEX Rule 9.265 shall govern the requirements for the record of the hearing.

(l) Record of Proceeding

IEX Rule 9.267 shall govern the record of the proceeding.

(m) Failure to Appear at a Pre-Hearing Conference or Hearing or to Comply with a Hearing Officer Order Requiring the Production of Information

Failure of any respondent to appear before the Hearing Officer or, if applicable, the Hearing Panel at any status conference, pre-hearing conference or hearing, or to comply with any order of the Hearing Officer or, if applicable, Hearing Panel requiring production of information to support any defense to the notice that respondent has raised, shall be considered an abandonment of the respondent's defense and waiver of any opportunity for a hearing provided by the IEX Rule 9.550 Series. In such cases, the notice issued under Exchange the Rule 9.550 Series shall be deemed to be final IEX action. The Hearing Officer or, if applicable, the Hearing Panel may permit the hearing to go forward as to those parties who appear and otherwise comply with this IEX Rule.

(n) Sanctions, Costs and Remands

(1) In any action brought under the IEX Rule 9.550 Series, other than an action brought under IEX Rule 9.557, the Hearing Officer or, if applicable, the Hearing Panel may approve, modify or withdraw any and all sanctions, requirements, restrictions or limitations imposed by the notice and, pursuant to IEX Rule 8.310(a), may also impose any other fitting sanction.

(2) In an action brought under IEX Rule 9.557, the Hearing Panel shall approve or withdraw the requirements and/or restrictions imposed by the notice. If the Hearing Panel approves the requirements and/or restrictions and finds that the respondent has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the respondent that shall remain in effect unless IEX staff issues a letter of withdrawal of all requirements and/or restrictions pursuant to IEX Rule 9.557(g)(2).

(3) The Hearing Officer or, if applicable, the Hearing Panel may impose costs pursuant to IEX Rule 8.360 regarding all actions brought under the IEX Rule 9.550 Series.

(4) In any action brought under the IEX Rule 9.550 Series, other than an action brought under IEX Rule 9.557, the Hearing Officer or, if applicable, the Hearing Panel may remand the matter to the department or office that issued the notice for further consideration of specified matters.

(o) Timing of Decision

(1) Proceedings initiated under IEX Rules 9.552 and 9.554

Within 60 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision and provide it to the IEX Appeals Committee.

(2) Proceedings initiated under IEX Rules 9.556 and 9.558

Within 21 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the IEX Appeals Committee.

(3) Proceedings initiated under IEX Rules 9.551, 9.552, and 9.555

Within 60 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the IEX Appeals Committee.

(4) Proceedings initiated under IEX Rule 9.557

(A) Written Order

Within two business days of the date of the close of the hearing, the Office of Hearing Officers shall issue a written order that reflects the Hearing Panel's summary determinations, as decided by majority vote,

and shall serve the Hearing Panel's written order on the Parties. The Hearing Panel's written order under IEX Rule 9.557 is effective when issued. The Hearing Panel's written order will be followed by a written decision explaining the reasons for the Hearing Panel's summary determinations, as required by paragraphs (o)(4)(B) and (p) of this IEX Rule.

(B) Written Decision

Within seven days of the issuance of the Hearing Panel's written order, the Office of Hearing Officers shall issue a written decision that complies with the requirements of paragraph (p) of this IEX Rule and shall serve the Hearing Panel's written decision on the Parties.

(5) If not timely called for review by the IEX Appeals Committee pursuant to paragraph (q) of this IEX Rule, the Hearing Officer's or, if applicable, the Hearing Panel's written decision shall constitute final IEX action. For decisions issued under IEX Rules 9.551 through 9.556 and 9.558, the Office of Hearing Officers shall promptly serve the decision of the Hearing Officer or, if applicable, the Hearing Panel on the Parties and provide a copy to each IEX Member with which the respondent is associated.

(6) The timelines established by paragraphs (o)(1) through (5) confer no substantive rights on the parties.

(p) Contents of Decision

The decision, which for purposes of IEX Rule 9.557 means the written decision issued under paragraph (o)(4)(B) of this IEX Rule, shall include:

(1) a statement describing the investigative or other origin of the notice issued under the IEX Rule Series 9.550;

(2) the specific statutory or rule provision alleged to have been violated or providing the authority for the IEX action;

(3) a statement setting forth the findings of fact with respect to any act or practice the respondent was alleged to have committed or omitted or any condition specified in the notice;

(4) the conclusions of the Hearing Officer or, if applicable, Hearing Panel regarding the alleged violation or condition specified in the notice;

(5) a statement of the Hearing Officer or, if applicable, Hearing Panel in support of the disposition of the principal issues raised in the proceeding; and

(6) a statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation shall become effective.

(q) Call for Review by the IEX Appeals Committee

(1) For proceedings initiated under the IEX Rule Series 9.550 (other than IEX Rule 9.557), the IEX Appeals Committee may call for review a proposed decision prepared by a Hearing Officer or, if applicable, Hearing Panel within 21 days after receipt of the decision from the Office of Hearing Officers. For proceedings initiated under IEX Rule 9.557, the IEX Appeals Committee may call for review a written decision issued under paragraph (o)(4)(B) of this IEX Rule by a Hearing Panel within 14 days after receipt of the written decision from the Office of Hearing Officers. IEX Rule 9.313(a) is incorporated herein by reference.

(2) If the IEX Appeals Committee calls the proceeding for review within the prescribed time, it shall meet and conduct a review not later than 40 days after the call for review. The IEX Appeals Committee may elect to hold a hearing or decide the matter on the basis of the record made before the Hearing Officer or, if applicable, the Hearing Panel. Not later than 60 days after the call for review, the IEX Appeals Committee shall make its recommendation to the IEX Board. Not later than 60 days after receipt of the IEX Appeals Committee's

recommendation, the IEX Board shall serve a final written decision on the parties via overnight courier or facsimile. The IEX Appeals Committee may affirm, modify or reverse the decision of the Hearing Officer or, if applicable, the Hearing Panel. The IEX Board also may impose any other fitting sanction, pursuant to IEX Rule 8.310(a), and may impose costs, pursuant to IEX Rule 8.360. In addition, the IEX Board may remand the matter to the Office of Hearing Officers for further consideration of specified matters.

(3) For good cause shown, or with the consent of all of the parties to a proceeding, the IEX Appeals Committee or the IEX Board may extend or shorten any time limits prescribed by this IEX Rule other than those relating to IEX Rule 9.557.

(4) The IEX Board's written decision shall constitute final IEX action.

(5) The IEX Board shall promptly serve the decision on the Parties and provide a copy of the decision to each IEX Member with which the respondent is associated.

(6) The timelines established by paragraphs (q)(1) through (5) confer no substantive rights on the parties.

(r) Application to SEC for Review

The right to have any action pursuant to this IEX Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final IEX action, unless the SEC otherwise orders.

Rule Series 9.600. PROCEDURES FOR EXEMPTIONS

Rule 9.610. Application

(a) Where to File. A Member seeking exemptive relief as specifically permitted under any IEX Rule referencing the IEX Rule Series 9.600 shall file a written application with the appropriate FINRA department or staff and provide a copy of the application to IEX Regulation.

(b) Content. An application filed pursuant to this IEX Rule 9.610 shall contain the Member's name and address, the name of a person associated with the Member who will serve as the primary contact for the application, the Rule from which the Member is seeking an exemption, and a detailed statement of the grounds for granting the exemption. If the Member does not want the application or the decision on the application to be publicly available in whole or in part, the Member also shall include in its application a detailed statement, including supporting facts, showing good cause for treating the application or decision as confidential in whole or in part.

(c) Applicant. A Member that files an application under this IEX Rule is referred to as "Applicant" hereinafter in the IEX Rule Series 9.600.

Rule 9.620. Decision

(a) After considering an application, the Chief Regulatory Officer shall issue a written decision setting forth its findings and conclusions. The decision shall be served on the Applicant pursuant to IEX Rules 9.132 and 9.134. After the decision is served on the Applicant, the application and decision shall be publicly available unless IEX Regulation staff determines that the Applicant has shown good cause for treating the application or decision as confidential in whole or in part.

Rule 9.630. Appeal

(a) Notice. An Applicant may file a written notice of appeal within 15 calendar days after service of a decision issued under IEX Rule 9.620. The notice of appeal shall be filed with the Chief Regulatory Officer. The notice of appeal shall contain a brief statement of the findings and conclusions as to which exception is taken. Appeals of decisions issued by IEX Regulation staff pursuant to IEX Rule 9.620 shall be decided by the IEX Appeals Committee, except with respect to exemptive relief under IEX Rule 2.160(b), which shall be decided by the IEX Appeals Committee. If the Applicant does not want the decision on the appeal to be publicly available in whole or in part, the Applicant also shall include in its notice of appeal a detailed statement, including supporting facts, showing good cause for treating the decision as confidential in whole or in part. The notice of appeal shall be signed by the Applicant.

(b) Expedited Review. Where the failure to promptly review a decision to deny a request for exemption would unduly or unfairly harm the applicant, the IEX Appeals Committee, shall provide expedited review.

(c) Withdrawal of Appeal. An Applicant may withdraw its notice of appeal at any time by filing a written notice of withdrawal of appeal with the IEX Appeals Committee.

(d) Oral Argument.

(1) Subject to paragraph (2) below, following the filing of a notice of appeal, the IEX Appeals Committee may order oral argument. The IEX Appeals Committee may consider any new evidence if the Applicant can show good cause for not including it in its application.

(2) With respect to exemptive relief requested under IEX Rule 2.160(b), the IEX Appeals Committee may order oral argument and consider any new evidence if the Applicant can show good cause for not including it in its application.

(e) Decision.

(1) Subject to paragraph (2) below, after considering all matters on appeal, the IEX Appeals Committee shall affirm, modify, or reverse the decision issued under IEX Rule 9.620. The IEX Appeals Committee shall issue a written decision setting forth its findings and conclusions and serve the decision on the Applicant. The decision shall be served pursuant to IEX Rules 9.132 and 9.134. The decision shall be effective upon service and shall constitute final action of Exchange.

(2) With respect to exemptive relief requested under IEX Rule 2.160(b), after considering all matters on appeal, the IEX Appeals Committee shall affirm, modify, or reverse the decision issued under IEX Rule 9.620 and shall issue a written decision setting forth its findings and conclusions and serve the decision on the Applicant. The decision shall be served pursuant to IEX Rules 9.132 and 9.134. The decision shall be effective upon service and shall constitute final action of the Exchange.

Rule Series 9.700. RESERVED.

Rule Series 9.800. TEMPORARY CEASE AND DESIST ORDERS

Rule 9.810. Initiation of Proceeding

(a) Department of Enforcement or Department of Market Regulation

With the prior written authorization of IEX's Chief Regulatory Officer or such other senior officers as the Chief Regulatory Officer may designate, the Department of Enforcement or the Department of Market Regulation may initiate a temporary cease and desist proceeding with respect to alleged violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; Exchange Act Rules 15g-1 through 15g-9; IEX Rule 3.110 (if the alleged violation is

unauthorized trading, or misuse or conversion of customer assets, or based on violations of Section 17(a) of the Securities Act); or IEX Rule 3.130. The Department of Enforcement or the Department of Market Regulation shall initiate the proceeding by serving a notice on a Member or associated person (hereinafter "Respondent") and filing a copy thereof with the Office of Hearing Officers. The Department of Enforcement or the Department of Market Regulation shall serve the notice by personal service, overnight commercial courier, or facsimile. If service is made by facsimile, the Department of Enforcement or the Department of Market Regulation shall send an additional copy of the notice by overnight commercial courier. The notice shall be effective upon service.

(b) Contents of Notice

The notice shall set forth the rule or statutory provision that the Respondent is alleged to have violated and that the Department of Enforcement or the Department of Market Regulation is seeking to have the Respondent ordered to cease violating. The notice also shall state whether the Department of Enforcement or the Department of Market Regulation is requesting the Respondent to be required to take action or to refrain from taking action. The notice shall be accompanied by:

(1) a declaration of facts, signed by a person with knowledge of the facts contained therein, that specifies the acts or omissions that constitute the alleged violation; and

(2) a proposed order that contains the required elements of a temporary cease and desist order (except the date and hour of the order's issuance), which are set forth in IEX Rule 9.840(b).

(c) Filing of Underlying Complaint

If the Department of Enforcement or the Department of Market Regulation has not issued a complaint under IEX Rule 9.211 against the Respondent relating to the subject matter of the temporary cease and desist proceeding and alleging violations of the rule or statutory provision specified in the notice described in paragraph (b), the Department of Enforcement or the Department of Market Regulation shall serve and file such a complaint with the notice initiating the temporary cease and desist proceeding.

Rule 9.820. Appointment of Hearing Officer and Hearing Panel

(a) As soon as practicable after the Department of Enforcement or the Department of Market Regulation files a copy of the notice initiating a temporary cease and desist proceeding with the Office of Hearing Officers, the Chief Hearing Officer shall assign a Hearing Officer to preside over the temporary cease and desist proceeding. The Chief Hearing Officer shall appoint two Panelists to serve on a Hearing Panel with the Hearing Officer.

(b) If at any time a Hearing Officer or Hearing Panelist determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, or if a Party files a motion to disqualify a Hearing Officer or Hearing Panelist, the recusal and disqualification proceeding shall be conducted in accordance with IEX Rules 9.233 and 9.234, except that:

(1) a motion seeking disqualification of a Hearing Officer or Hearing Panelist must be filed no later than 5 days after the later of the events described in paragraph (b) of IEX Rules 9.233 and 9.234; and

(2) the Chief Hearing Officer shall appoint a replacement Panelist as specified in paragraph (a) of this IEX Rule.

Rule 9.830. Hearing

(a) When Held

The hearing shall be held not later than 15 days after service of the notice and filing initiating the temporary cease and desist proceeding, unless otherwise extended by the Hearing Officer with the consent of the Parties for good cause

shown. If a Hearing Officer or Hearing Panelist is recused or disqualified, the hearing shall be held not later than five days after a replacement Hearing Officer or Hearing Panelist is appointed.

(b) Service of Notice of Hearing

The Office of Hearing Officers shall serve a notice of date, time, and place of the hearing on the Department of Enforcement or the Department of Market Regulation and the Respondent not later than seven days before the hearing, unless otherwise ordered by the Hearing Officer. Service shall be made by personal service, overnight commercial courier, or facsimile. If service is made by facsimile, the Office of Hearing Officers shall send an additional copy of the notice by overnight commercial courier. The notice shall be effective upon service.

(c) Authority of Hearing Officer

The Hearing Officer shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth under IEX Rule 9.235.

(d) Witnesses

A person who is subject to the jurisdiction of IEX shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

(e) Additional Information

At any time during its consideration, the Hearing Panel may direct a Party to submit additional information. Any additional information submitted shall be provided to all Parties at least one day before the Hearing Panel renders its decision.

(f) Transcript

The hearing shall be recorded by a court reporter and a written transcript thereof shall be prepared. A transcript of the hearing shall be available to the Parties for purchase from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to all the Parties to the proceeding, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(g) Record and Evidence Not Admitted

The record shall consist of the notice initiating the proceeding, the declaration, and the proposed order described in IEX Rule 9.810(b); the transcript of the hearing; all evidence considered by the Hearing Panel; and any other document or item accepted into the record by the Hearing Officer or the Hearing Panel. The Office of Hearing Officers shall be the custodian of the record. Proffered evidence that is not accepted into the record by the Hearing Panel shall be retained by the custodian of the record until the date when IEX's decision becomes final or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(h) Failure to Appear at Hearing

If a Respondent fails to appear at a hearing for which it has notice, the allegations in the notice and accompanying declaration may be deemed admitted, and the Hearing Panel may issue a temporary cease and desist order without further proceedings. If the Department of Enforcement or Department of Market Regulation fails to appear at a hearing for which it has notice, the Hearing Panel may order that the temporary cease and desist proceeding be dismissed.

Rule 9.840. Issuance of Temporary Cease and Desist Order by Hearing Panel

(a) Basis for Issuance

The Hearing Panel shall issue a written decision stating whether a temporary cease and desist order shall be imposed. The Hearing Panel shall issue the decision not later than ten days after receipt of the hearing transcript, unless otherwise extended by the Hearing Officer with the consent of the Parties for good cause shown. A temporary cease and desist order shall be imposed if the Hearing Panel finds:

(1) by a preponderance of the evidence that the alleged violation specified in the notice has occurred; and

(2) that the violative conduct or continuation thereof is likely to result in significant dissipation or conversion of assets or other significant harm to investors prior to the completion of the underlying disciplinary proceeding under IEX Rule Series 9.200 and 9.300.

(b) Content, Scope, and Form of Order

A temporary cease and desist order shall:

(1) be limited to ordering a Respondent to cease and desist from violating a specific rule or statutory provision, and, where applicable, to ordering a Respondent to cease and desist from dissipating or converting assets or causing other harm to investors;

(2) set forth the alleged violation and the significant dissipation or conversion of assets or other significant harm to investors that is likely to result without the issuance of an order;

(3) describe in reasonable detail the act or acts the Respondent is to take or refrain from taking; and

(4) include the date and hour of its issuance.

(c) Duration of Order

A temporary cease and desist order shall remain effective and enforceable until the issuance of a decision under IEX Rule 9.268 or 9.269.

(d) Service

The Office of Hearing Officers shall serve the Hearing Panel's decision and any temporary cease and desist order by personal service, overnight commercial courier, or facsimile. If service is made by facsimile, the Office of Hearing Officers shall send an additional copy of the Hearing Panel's decision and any temporary cease and desist order by overnight commercial courier. The temporary cease and desist order shall be effective upon service.

Rule 9.850. Review by Hearing Panel

At any time after the Office of Hearing Officers serves the Respondent with a temporary cease and desist order, a Party may apply to the Hearing Panel to have the order modified, set aside, limited, or suspended. The application shall set forth with specificity the facts that support the request. The Hearing Panel shall respond to the request in writing within ten days after receipt of the request, unless otherwise extended by the Hearing Officer with the consent of the Parties for good cause shown. The Hearing Panel's response shall be served on the Respondent via personal service, overnight commercial courier, or facsimile. If service is made by facsimile, the Office of Hearing Officers shall send an additional copy of the temporary cease and desist order by overnight commercial courier. The filing of an application under this IEX Rule shall not stay the effectiveness of the temporary cease and desist order.

Rule 9.860. Violation of Temporary Cease and Desist Orders

A Respondent who violates a temporary cease and desist order imposed under this IEX Rule Series may have its association or membership suspended or canceled under IEX Rule 9.556. IEX's Chief Regulatory Officer must authorize the initiation of any such proceeding in writing.

Rule 9.870. Application to SEC for Review

Temporary cease and desist orders issued pursuant to this IEX Rule Series constitute final and immediately effective disciplinary sanctions imposed by IEX. The right to have any action under this IEX Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of the temporary cease and desist order, unless the SEC otherwise orders.

CHAPTER 10. TRADING PRACTICE RULES

Rule Series 10.100. PROHIBITED TRADING PRACTICES

Rule 10.110. Market Manipulation

(a) No Member shall execute or cause to be executed or participate in an account for which there are executed purchases of any security at successively higher prices, or sales of any security at successively lower prices, or otherwise engage in activity, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security on the Exchange or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

(b) All orders must be entered for the purpose of executing bona fide transactions, including, without limitation:

(1) No Member shall enter or cause to be entered, an order with the intent, at the time of order entry, to cancel the order before execution, or to modify the order to avoid execution.

(2) No Member shall enter or cause to be entered an executable or non-executable order or orders with the intent to mislead other market participants.

(3) No Member shall enter or cause to be entered an executable or non-executable order with the intent to overload, delay, or disrupt the performance of the systems of the Exchange, its Members, other exchanges, National Market System Plans, or market participants.

(4) No Member shall enter or cause to be entered executable or non-executable orders with intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions on the Exchange or elsewhere in the National Market System.

(5) These provisions shall apply at all times the Exchange System is available to Members without exception.

Additionally, all non-executable orders must be entered in good faith for legitimate purposes.

Rule 10.120. Fictitious Transactions

(a) No Member, for the purpose of creating or inducing a false or misleading appearance of activity in a security traded on the Exchange or creating or inducing a false or misleading appearance with respect to the market in such security shall:

(1) execute any transaction in such security which involves no change in the beneficial ownership thereof, or

(2) enter any order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the sale of such security, has been or will be entered by or for the same or different parties, or

(3) enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

(b) Transactions in a security resulting from the unintentional interaction of orders originating from the same firm that involve no change in the beneficial ownership of the security, ("self-trades") generally are bona fide transactions for purposes of this IEX Rule 10.120; however, Members must have policies and procedures in place that are reasonably designed to review their trading activity for, and prevent, a pattern or practice of self-trades resulting from orders originating from a single algorithm or trading desk, or related algorithms or trading desks. Transactions resulting from orders that originate from unrelated algorithms or separate and distinct trading strategies within the same firm would generally be considered bona fide self-trades. Algorithms or trading strategies within the most discrete unit of an effective system of internal controls at a member firm are presumed to be related. This subsection (b) does not change Members' existing obligations under IEX Rule 3.110 and IEX Rule 5.110.

Rule 10.130. Excessive Sales by a Member

(a) No Member shall execute purchases or sales in any security traded on the Exchange for any account in which such Member is directly or indirectly interested, which purchases or sales are excessive in view of the Member's financial resources or in view of the market for such security.

Rule 10.140. Manipulative Transactions

(a) No Member shall participate or have any interest, directly or indirectly, in the profits of a manipulative operation or knowingly manage or finance a manipulative operation.

(b) Any pool, syndicate or joint account organized or used intentionally for the purpose of unfairly influencing the market price of a security shall be deemed to be a manipulative operation.

(c) The solicitation of subscriptions to or the acceptance of discretionary orders from any such pool, syndicate or joint account shall be deemed to be managing a manipulative operation.

(d) The carrying on margin of a position in such security or the advancing of credit through loans to any such pool, syndicate or joint account shall be deemed to be financing a manipulative operation.

(e) No member shall offer that a transaction or transactions to buy or sell a designated security will influence the closing transaction in that security.

Rule 10.150. Dissemination of False Information

(a) No Member shall make any statement or circulate and disseminate any information concerning any security traded on the Exchange which such Member knows or has reasonable grounds for believing is false or misleading or would improperly influence the market price of such security.

Rule 10.160. Prohibition Against Trading Ahead of Customer Orders

(a) Except as provided herein, a Member that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account.

(b) A Member must have a written methodology in place governing the execution and priority of all pending orders that is consistent with the requirements of this IEX Rule. A Member also must ensure that this methodology is consistently applied.

(c) Large Orders and Institutional Account Exceptions

With respect to orders for customer accounts that meet the definition of an "institutional account" or for orders of 10,000 shares or more (unless such orders are less than $100,000 in value), a Member is permitted to trade a security on the same side of the market for its own account at a price that would satisfy such customer order, provided that the Member has provided clear and comprehensive written disclosure to such customer at account opening and annually thereafter that:

(1) discloses that the Member may trade proprietarily at prices that would satisfy the customer order, and

(2) provides the customer with a meaningful opportunity to opt in to the IEX Rule 10.160 protections with respect to all or any portion of its order.

If the customer does not opt in to the IEX Rule 10.160 protections with respect to all or any portion of its order, the Member may reasonably conclude that such customer has consented to the Member trading a security on the same side of the market for its own account at a price that would satisfy the customer's order.

In lieu of providing written disclosure to customers at account opening and annually thereafter, a Member may provide clear and comprehensive oral disclosure to and obtain consent from the customer on an order-by-order basis, provided that the Member documents who provided such consent and such consent evidences the customer's understanding of the terms and conditions of the order.

For purposes of this IEX Rule, "institutional account" shall mean the account of:

(A) a bank savings and loan association, insurance company or registered investment company;

(B) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or

(C) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million.

(d) No-Knowledge Exception

(1) With respect to NMS stocks (as defined in Rule 600 under of the Securities and Exchange Commission's Regulation NMS), if a Member implements and utilizes an effective system of internal controls, such as appropriate information barriers, that operate to prevent one trading unit from obtaining knowledge of customer orders held by a separate trading unit, those other trading units trading in a proprietary capacity may continue to trade at prices that would satisfy the customer orders held by the separate trading unit. A Member that structures its order handling practices in NMS stocks to permit its proprietary and/or market-making desk to trade at prices that would satisfy customer orders held by a separate trading unit must disclose in writing to its customers, at account opening and annually thereafter, a description of the manner in which customer orders are handled by the Member and the circumstances under which the Member may trade proprietarily at its proprietary and/or market-making desk at prices that would satisfy the customer order.

(2) If a Member implements and utilizes appropriate information barriers in reliance on this exception, the Member must uniquely identify such information barriers in place at the department within the Member where the order was received or originated. Appropriate information barriers must, at minimum, comply with the requirements set forth in IEX Rule 5.150.

(3) Members must maintain records that indicate which orders rely on the No-Knowledge Exception and submit these records to the Exchange upon request.

(e) Riskless Principal Exception

The obligations under this IEX Rule shall not apply to a Member's proprietary trade if such proprietary trade is for the purposes of facilitating the execution, on a riskless principal basis, of an order from a customer (whether its own customer or the customer of another broker-dealer) (the "facilitated order"), provided that the Member:

(1) submits a report, contemporaneously with the execution of the facilitated order, identifying the trade as riskless principal to the Exchange (or another self-regulatory organization if not required under IEX Rules); and

(2) has written policies and procedures to ensure that riskless principal transactions for which the Member is relying upon this exception comply with applicable IEX Rules. At a minimum these policies and procedures must require that the customer order was received prior to the offsetting principal transaction, and that the offsetting principal transaction is at the same price as the customer order exclusive of any markup or markdown, commission equivalent or other fee and is allocated to a riskless principal or customer account in a consistent manner and within 60 seconds of execution.

A Member must have supervisory systems in place that produce records that enable the Member and the Exchange to reconstruct accurately, readily, and in a time-sequenced manner all facilitated orders for which the Member relies on this exception.

(f) ISO Exception

A Member shall be exempt from the obligation to execute a customer order in a manner consistent with this IEX Rule with regard to trading for its own account that is the result of an inter-market sweep order ("ISO") routed in compliance with Rule 600(b)(30)(ii) of Regulation NMS where the customer order is received after the Member routed the ISO. Where a Member routes an ISO to facilitate a customer order and that customer has consented to not receiving the better prices obtained by the ISO, the Member also shall be exempt with respect to any trading for its own account that is the result of the ISO with respect to the consenting customer's order.

(g) Odd Lot and Bona Fide Error Transaction Exceptions

The obligations under this IEX Rule shall not apply to a Member's proprietary trade that is (1) to offset a customer order that is in an amount less than a normal unit of trading; or (2) to correct a bona fide error. Members are required to demonstrate and document the basis upon which a transaction meets the bona fide error exception. For purposes of this IEX Rule, a bona fide error is:

(1) the inaccurate conveyance or execution of any term of an order, including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

(2) the unauthorized or unintended purchase, sale, or allocation of securities or the failure to follow specific client instructions;

(3) the incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

(4) a delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(h) Minimum Price Improvement Standards

The minimum amount of price improvement necessary for a Member to execute an order on a proprietary basis when holding an unexecuted limit order in that same security, and not be required to execute the held limit order is as follows:

(1) For customer limit orders priced greater than or equal to $1.00, the minimum amount of price improvement required is $0.01 for NMS stocks;

(2) For customer limit orders priced greater than or equal to $0.01 and less than $1.00, the minimum amount of price improvement required is the lesser of $0.01 or one-half (1/2) of the current inside spread;

(3) For customer limit orders priced less than $0.01 but greater than or equal to $0.001, the minimum amount of price improvement required is the lesser of $0.001 or one-half (1/2) of the current inside spread;

(4) For customer limit orders priced less than $0.001 but greater than or equal to $0.0001, the minimum amount of price improvement required is the lesser of $0.0001 or one- half (1/2) of the current inside spread;

(5) For customer limit orders priced less than $0.0001 but greater than or equal to $0.00001, the minimum amount of price improvement required is the lesser of $0.00001 or one- half (1/2) of the current inside spread;

(6) For customer limit orders priced less than $0.00001, the minimum amount of price improvement required is the lesser of $0.000001 or one-half (1/2) of the current inside spread; and

(7) For customer limit orders priced outside the best inside market, the minimum amount of price improvement required must either meet the requirements set forth above or the Member must trade at a price at or inside the best inside market for the security.

In addition, if the minimum price improvement standards above would trigger the protection of a pending customer limit order, any better-priced customer limit order(s) must also be protected under this IEX Rule, even if those better-priced limit orders would not be directly triggered under the minimum price improvement standards above.

(i) Order Handling Procedures

A Member must make every effort to execute a marketable customer order that it receives fully and promptly. A Member that is holding a customer order that is marketable and has not been immediately executed must make every effort to cross such order with any other order received by the Member on the other side of the market up to the size of such order at a price that is no less than the best bid and no greater than the best offer at the time that the subsequent order is received by the Member and that is consistent with the terms of the orders. In the event that a Member is holding multiple orders on both sides of the market that have not been executed, the Member must make every effort to cross or otherwise execute such orders in a manner that is reasonable and consistent with the objectives of this IEX Rule and with the terms of the orders. A Member can satisfy the crossing requirement by contemporaneously buying from the seller and selling to the buyer at the same price.

(j) Trading Outside Normal Market Hours

Members generally may limit the life of a customer order to the period of normal market hours of 9:30 a.m. to 4:00 p.m. Eastern Time. However, if the customer and Member agree to the processing of the customer's order outside normal market hours, the protections of this IEX Rule shall apply to that customer's order at all times the customer order is executable by the Member.

Rule 10.170. Joint Activity

(a) No Member, directly or indirectly, shall hold any interest or participation in any joint account for buying or selling in a security traded on the Exchange, unless such joint account is promptly reported to the Exchange. The report should contain the following information for each account:

(1) the name of the account, with names of all participants and their respective interests in profits and losses;

(2) a statement regarding the purpose of the account;

(3) the name of the Member carrying and clearing the account; and

(4) a copy of any written agreement or instrument relating to the account.

Rule 10.180. Influencing the Consolidated Tape

(a) No Member shall attempt to execute a transaction or transactions to buy or sell a security for the purpose of influencing any report appearing on the Consolidated Tape.

Rule 10.190. Trade Shredding

No Member or associated person of a Member may engage in "trade shredding". Trade shredding is conduct that has the intent or effect of splitting any order into multiple smaller orders for execution or any execution into multiple smaller executions for the primary purpose of maximizing a monetary or in-kind amount to be received by the Member or associated person of a Member as a result of the execution of such orders or the transaction reporting of such executions. For purposes of this IEX Rule 10.190, "monetary or in-kind amount" shall be defined to include, but not be limited to, any credits, commissions, gratuities, payments for or rebates of fees, or any other payments of value to the Member or associated person of a Member.

Rule Series 10.200. TRADING OBLIGATIONS

Rule 10.210. Options

(a) No Member shall initiate the purchase or sale on the Exchange for its own account, or for any account in which it is directly or indirectly interested, of any stock of any issuer in which it holds or has granted any put, call, straddle or option; provided, however, that this prohibition shall not be applicable in respect of any option issued by The Options Clearing Corporation.

(b) No Member acting as an odd-lot dealer shall become interested directly or indirectly, in a pool dealing or trading in the stock of any issuer in which it is an odd-lot dealer, nor shall it acquire or grant directly or indirectly, any option to buy or sell, receive or deliver shares of stock of any issuer in which such Member is an odd-lot dealer, unless such option is issued by The Options Clearing Corporation.

Rule 10.220. Best Execution and Interpositioning

(a) Best Execution

(1) In any transaction for or with a customer or a customer of another broker-dealer, a Member and persons associated with a Member shall use reasonable diligence to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Among the factors that will be considered in determining whether a Member has used "reasonable diligence" are:

(A) the character of the market for the security (e.g., price, volatility, relative liquidity, and pressure on available communications);

(B) the size and type of transaction;

(C) the number of markets checked;

(D) accessibility of the quotation; and

(E) the terms and conditions of the order which result in the transaction, as communicated to the Member and persons associated with the Member.

(2) In any transaction for or with a customer or a customer of another broker-dealer, no Member or person associated with a Member shall interject a third party between the Member and the best market for the subject security in a manner inconsistent with paragraph (a)(1) of this IEX Rule 10.220.

(b) When a Member cannot execute directly with a market but must employ a broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so is on the Member.

(c) Failure to maintain or adequately staff a department assigned to execute customers' orders cannot be considered justification for executing away from the best available market; nor can channeling orders through a third party as described above as reciprocation for service or business operate to relieve a Member of its obligations under this IEX Rule.

(d) A Member through which an order is channeled and that knowingly is a party to an arrangement whereby the initiating Member has not fulfilled its obligations under this IEX Rule, will also be deemed to have violated this IEX Rule 10.220.

(e) The obligations described in paragraphs (a) through (d) above exist not only where the Member acts as agent for the account of its customer but also where transactions are executed as principal.

(f) Execution of Marketable Customer Orders

A Member must make every effort to execute a marketable customer order that it receives fully and promptly.

(g) Definition of "Market"

For the purposes of IEX Rule 10.220, the term "market" or "markets" is to be construed broadly, and it encompasses a variety of different venues, including, but not limited to, trading centers that are trading a particular security. This expansive interpretation is meant to both inform broker-dealers as to the breadth of the scope of venues that must be considered in the furtherance of their best execution obligations and to promote fair competition among broker-dealers, exchange markets, and markets other than exchange markets, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a firm's best execution obligations.

(h) Best Execution and Executing Brokers

A Member's duty to provide best execution in any transaction "for or with a customer of another broker-dealer" does not apply in instances when another broker-dealer is simply executing a customer order against the Member's quote. The duty to provide best execution to customer orders received from other broker-dealers arises only when an order is routed from the broker-dealer to the Member for the purpose of order handling and execution. This clarification is intended to draw a distinction between those situations in which the Member is acting solely as the buyer or seller in connection with orders presented by a broker-dealer against the Member's quote, as opposed to those circumstances in which the Member is accepting order flow from another broker-dealer for the purpose of facilitating the handling and execution of such orders.

(i) Use of a Broker's Broker

Paragraph (b) of this IEX Rule 10.220 provides that when a Member cannot execute directly with a market but must employ a broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so is on the Member. Examples of acceptable circumstances are where a customer's order is "crossed" with another firm that has a corresponding order on the

other side, or where the identity of the firm, if known, would likely cause undue price movements adversely affecting the cost or proceeds to the customer.

(j) Orders Involving Securities with Limited Quotations or Pricing Information

Although the best execution requirements in this IEX Rule 10.220 apply to orders in all securities, markets for securities differ dramatically. One of the areas in which a Member must be especially diligent in ensuring that it has met its best execution obligations is with respect to customer orders involving securities for which there is limited pricing information or quotations available. Each Member must have written policies and procedures in place that address how the Member will determine the best inter-dealer market for such a security in the absence of pricing information or multiple quotations and must document its compliance with those policies and procedures. For example, a Member should analyze pricing information based on other data, such as previous trades in the security, to determine whether the resultant price to the customer is as favorable as possible under prevailing market conditions. In these instances, a Member should generally seek out other sources of pricing information or potential liquidity, which may include obtaining quotations from other sources (e.g., other firms that the Member previously has traded within the security).

(k) Customer Instructions Regarding Order Handling

If a Member receives an unsolicited instruction from a customer to route that customer's order to a particular market for execution, the Member is not required to make a best execution determination beyond the customer's specific instruction. Members are, however, still required to process that customer's order promptly and in accordance with the terms of the order and its instructions. Where a customer has directed that an order be routed to another specific broker-dealer that is also a FINRA Member, the receiving broker-dealer to which the order was directed would be required to meet the requirements of FINRA Rule 5310 with respect to its handling of the order.

(l) Regular and Rigorous Review of Execution Quality

No Member can transfer to another person its obligation to provide best execution to its customers' orders. A Member that routes customer orders to other broker-dealers for execution on an automated, non-discretionary basis, as well as a Member that internalizes customer order flow, must have procedures in place to ensure the Member periodically conducts regular and rigorous reviews of the quality of the executions of its customers' orders if it does not conduct an order-by-order review. The review must be conducted on a security-by-security, type-of-order basis (e.g., limit order, market order, and market on open order). At a minimum, a Member must conduct such reviews on a quarterly basis; however, Members should consider, based on the firm's business, whether more frequent reviews are needed.

(m) In conducting its regular and rigorous review, a Member must determine whether any material differences in execution quality exist among the markets trading the security and, if so, modify the Member's routing arrangements or justify why it is not modifying its routing arrangements. To assure that order flow is directed to markets providing the most beneficial terms for their customers' orders, the Member must compare, among other things, the quality of the executions the Member is obtaining via current order routing and execution arrangements (including the internalization of order flow) to the quality of the executions that the Member could obtain from competing markets. In reviewing and comparing the execution quality of its current order routing and execution arrangements to the execution quality of other markets, a Member should consider the following factors:

(1) price improvement opportunities (i.e., the difference between the execution price and the best quotes prevailing at the time the order is received by the market);

(2) differences in price disimprovement (i.e., situations in which a customer receives a worse price at execution than the best quotes prevailing at the time the order is received by the market);

(3) the likelihood of execution of limit orders;

(4) the speed of execution;

(5) the size of execution;

(6) transaction costs;

(7) customer needs and expectations; and

(8) the existence of internalization or payment for order flow arrangements.

(n) A Member that routes its order flow to another Member that has agreed to handle that order flow as agent for the customer (e.g., a clearing firm or other executing broker-dealer) can rely on that Member's regular and rigorous review as long as the statistical results and rationale of the review are fully disclosed to the Member and the Member periodically reviews how the review is conducted, as well as the results of the review.

Rule 10.230. Publication of Transactions and Changes

(a) The Exchange shall cause to be disseminated for publication on the Consolidated Tape all last sale price reports of transactions executed through the facilities of the Exchange pursuant to the requirements of an effective transaction reporting plan approved by the Commission.

(b) To facilitate the dissemination of such last sale price reports, each Member shall cause to be reported to the Exchange, as promptly as possible after execution, all information concerning each transaction required by the effective transaction reporting plan.

(c) An official of the Exchange shall approve any corrections to reports transmitted over the consolidated tape. Any such corrections shall be made within one day after detection of the error.

Rule 10.240. Trading Ahead of Research Reports

(a) No Member shall establish, increase, decrease or liquidate an inventory position in a security or a derivative of such security based on non-public advance knowledge of the content or timing of a research report in that security.

(b) Members must establish, maintain and enforce policies and procedures reasonably designed to restrict or limit the information flow between research department personnel, or other persons with knowledge of the content or timing of a research report, and trading department personnel, so as to prevent trading department personnel from utilizing non-public advance knowledge of the issuance or content of a research report for the benefit of the Member or any other person.

Rule 10.250. Obligation to Honor System Trades

If a Member, or clearing member acting on a Member's behalf, is reported by the System, or shown by the activity reports generated by the System, as constituting a side of a System trade, such Member, or clearing member acting on its behalf, shall honor such trade on the scheduled settlement date.

Rule 10.260. Front Running of Block Transactions

(a) Members and persons associated with a Member shall comply with FINRA Rule 5270 as if such Rule were part of the Exchange's rules.

(b) Front Running of Non-Block Transactions. Although the prohibitions in FINRA Rule 5270 are limited to imminent block transactions, the front running of other types of orders that place the financial interests of the Member or persons associated with a Member ahead of those of its customer or the misuse of knowledge of an imminent customer order may violate other IEX Rules, including Rule 3.110 and Rule 10.160, or provisions of the federal securities laws.

CHAPTER 11. TRADING RULES

Rule Series 11.100. GENERAL TRADING RULES

Rule 11.110. Hours of Trading and Trading Days

(a) Orders may be executed on the Exchange or routed away from the Exchange during the Regular Market Session and during the Pre-Market Session and Post-Market Session. Certain order types and functionality are available only during the Regular Market Session as described in IEX Rule 11.190.

(b) The Exchange will be open for the transaction of business on business days. The Exchange will not be open for business on the following holidays: New Year's Day, Dr. Martin Luther King Jr. Day, Presidents Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas. When any holiday observed by the Exchange falls on a Saturday, the Exchange will not be open for business on the preceding Friday. When any holiday observed by the Exchange falls on a Sunday, the Exchange will not be open for business on the following Monday, unless otherwise indicated by the Exchange.

(c) The Chief Executive Officer of the Exchange, or his designee, who must be a senior officer of the Exchange, shall have the power to halt, suspend trading in any and all securities traded on the Exchange, to close some or all Exchange facilities, and to determine the duration of any such halt, suspension, or closing, when he deems such action necessary for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest including special circumstances such as (1) actual or threatened physical danger, severe climatic conditions, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event. No such action shall continue longer than a period of two days, or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension.

Rule 11.120. Securities Eligible for Trading

The Exchange shall designate securities for trading. Any class of securities listed or admitted to unlisted trading privileges on the Exchange shall be eligible to become designated for trading on the Exchange in accordance with the Rules of Chapters 14 and 16. All securities designated for trading are eligible for odd-lot, round-lot and mixed-lot executions, unless otherwise indicated by the Exchange or limited pursuant to the IEX Rules.

Rule 11.130. Access

(a) General. The System shall be available for entry and execution of orders by Members with authorized access. To obtain authorized access to the System, each Member must enter into a User Agreement with the Exchange in such form as the Exchange may provide ("User Agreement").

(b) Sponsored Participants. A Sponsored Participant may obtain authorized access to the System only if such access is authorized in advance by one or more Sponsoring Members as follows:

(1) Sponsored Participants must enter into and maintain customer agreements with one or more Sponsoring Members establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the System. Such customer agreement(s) must incorporate the Sponsorship Provisions set forth in paragraph (2) below.

(2) For a Sponsored Participant to obtain and maintain authorized access to the System, a Sponsored Participant and its Sponsoring Member must agree in writing to the following Sponsorship Provisions:

(A) Sponsored Participant and its Sponsoring Member must have entered into and maintain a User Agreement with the Exchange.

(B) Sponsoring Member acknowledges and agrees that:

(i) All orders entered by the Sponsored Participants and any person acting on behalf of or in the name of such Sponsored Participant and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Member, and

(ii) Sponsoring Member is responsible for any and all actions taken by such Sponsored Participant and any person acting on behalf of or in the name of such Sponsored Participant.

(C) Sponsoring Member shall comply with the Exchange's Certificate of Formation, Operating Agreement, Rules and procedures, and Sponsored Participant shall comply with the Exchange's Certificate of Formation, Operating Agreement, Rules and procedures, as if Sponsored Participant were a Member.

(D) Sponsored Participant shall maintain, keep current and provide to the Sponsoring Member, and to the Exchange upon request, a list of Authorized Traders who may obtain access to the System on behalf of the Sponsored Participant. Sponsored Participant shall be subject to the obligations of IEX Rule 11.140 with respect to such Authorized Traders.

(E) Sponsored Participant shall familiarize its Authorized Traders with all of the Sponsored Participant's obligations under this IEX Rule and will assure that they receive appropriate training prior to any use or access to the System.

(F) Sponsored Participant may not permit anyone other than Authorized Traders to use or obtain access to the System.

(G) Sponsored Participant shall take reasonable security precautions to prevent unauthorized use or access to the System, including unauthorized entry of information into the System, or the information and data made available therein. Sponsored Participant understands and agrees that Sponsored Participant is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Authorized Traders, and for the trading and other consequences thereof.

(H) Sponsored Participant acknowledges its responsibility to establish adequate procedures and controls that permit it to effectively monitor its employees', agents' and customers' use and access to the System for compliance with the terms of the User Agreement.

(I) Sponsored Participant shall pay when due all amounts, if any, payable to Sponsoring Member, the Exchange or any other third parties that arise from the Sponsored Participant's access to and use of the System. Such amounts include, but are not limited to applicable exchange and regulatory fees.

(3) The Sponsoring Member must provide the Exchange with a written statement in form and substance acceptable to the Exchange identifying each Sponsored Participant by name and MPID and acknowledging its responsibility for the orders, executions and actions of such Sponsored Participant.

Rule 11.140. Authorized Traders

(a) A Member shall maintain a list of ATs who may obtain access to the System on behalf of the Member or the Member's Sponsored Participants. The Member shall update the list of ATs as necessary. Members must provide the list of ATs to the Exchange upon request.

(b) A Member must have reasonable procedures to ensure that all ATs comply with all IEX Rules and all other procedures related to the System.

(c) A Member must suspend or withdraw a person's status as an AT if the Exchange has determined that the person has caused the Member to fail to comply with the Rules of the Exchange and the Exchange has directed the Member to suspend or withdraw the person's status as an AT.

(d) A Member must have reasonable procedures to ensure that the ATs maintain the physical security of the equipment for accessing the facilities of the Exchange to prevent the improper use or access to the systems, including unauthorized entry of information into the systems.

(e) To be eligible for registration as an AT of a Member a person must successfully complete the General Securities Representative Examination (Series 7 or equivalent foreign examination module approved by the Exchange) or the Proprietary Traders Qualification Examination (Series 56), as appropriate, and any other training and/or certification programs as may be required by the Exchange.

Rule 11.150. Registration as a Market Maker

(a) Quotations and quotation sizes may be entered into IEX only by a Member registered as an IEX Market Maker or other entity approved by IEX to function in a market-making capacity.

(b) An IEX Market Maker may become registered in an issue by entering a registration request via an IEX approved electronic interface with IEX's systems or by contacting IEX Market Operations. Registration shall become effective on the day the registration request is entered.

(c) An IEX Market Maker's registration in an issue shall be terminated by IEX if the market maker fails to enter quotations in the issue within five (5) business days after the market maker's registration in the issue becomes effective.

Rule 11.151. Market Maker Obligations

A Member registered as a Market Maker shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this IEX Rule.

(a) Quotation Requirements and Obligations

(1) Two-Sided Quote Obligation. For each security in which a Member is registered as a Market Maker, the Member shall be willing to buy and sell such security for its own account on a continuous basis during regular market hours and shall enter and maintain a two-sided trading interest ("Two-Sided Obligation") that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange's quotation at all times. Interest eligible to be considered as part of a Market Maker's Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be 100 shares. After an execution against its Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the Exchange to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(2) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a Market Maker shall adhere to the pricing obligations established by this IEX Rule during the Regular Market Session; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor,

and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(3) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage lower than the then current National Best Bid, or if no National Best Bid, not more than the Designated Percentage lower than the last reported sale from the responsible single plan processor. In the event that the National Best Bid (or if no National Best Bid, the last reported sale) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit lower than the National Best Bid (or if no National Best Bid, the last reported sale), or if the bid is executed or canceled, the Market Maker shall enter new bid interest at a price not more than the Designated Percentage lower than the then current National Best Bid (or if no National Best Bid, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(4) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage higher than the then current National Best Offer, or if no National Best Offer, not more than the Designated Percentage higher than the last reported sale received from the responsible single plan processor. In the event that the National Best Offer (or if no National Best Offer, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit higher than the National Best Offer (or if no National Best Offer, the last reported sale), or if the offer is executed or canceled, the Market Maker shall enter new offer interest at a price not more than the Designated Percentage higher than the then current National Best Offer (or if no National Best Offer, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(5) The National Best Bid and Offer shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.

(6) For purposes of this IEX Rule, the "Designated Percentage" shall be eight (8) percentage points for securities that are included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products; 28% for securities with a price equal to or greater than $1 per share that are not included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products; and 30% for securities with a price less than $1 per share that are not included in the S&P 500® Index, Russell 1000® Index, or a pilot list of Exchange Traded Products; except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, the Designated Percentage shall be 20% for securities that are included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products, 28% for securities with a price equal to or greater than $1 per share that are not included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products, and 30% for securities with a price less than $1 per share that are not included in the S&P 500® Index, Russell 1000® Index, or a pilot list of Exchange Traded Products. The Designated Percentage for rights and warrants shall be 30%.

(7) For purposes of this IEX Rule, the "Defined Limit" shall be 9.5% for securities that are included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products; 29.5% for with a price equal to or greater than $1 per share that are not included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products; and 31.5% for securities with a price less than $1 per share that are not included in the S&P 500® Index, Russell 1000® Index, or a pilot list of Exchange Traded Products; except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, the Defined Limit shall be 21.5% for securities that are included in the S&P 500®, Russell 1000® Index, or a pilot list of Exchange Traded Products; 29.5% for securities with a price equal to or greater than $1 per share that are not included in the S&P 500®, Russell 1000® Index, or a pilot

list of Exchange Traded Products; and 31.5% for securities with a price less than $1 per share that are not included in the S&P 500® Index, Russell 1000® Index, or a pilot list of Exchange Traded Products.

(8) Reserved.

(9) Reserved.

(10) Nothing in this IEX Rule shall preclude a Market Marker from quoting at price levels that are closer to the National Best Bid and Offer than the levels required by this IEX Rule.

(11) The minimum quotation increment for quotations of $1.00 or above in all System Securities shall be $0.01. The minimum quotation increment in the System for quotations below $1.00 in System Securities shall be $0.0001.

(12) The individual Market Participant Identifier ("MPID") assigned to a Member to meet its Two-Sided Obligation pursuant to subparagraph (a)(1) of this IEX Rule shall be referred to as the Member's "Primary MPID." Market Makers may request the use of additional MPIDs that shall be referred to as "Supplemental MPIDs." A Market Maker that ceases to meet the obligations appurtenant to its Primary MPID in any security shall not be permitted to use a Supplemental MPID for any purpose in that security.

(13) Market Makers that are permitted the use of Supplemental MPIDs pursuant to subparagraph (12) above of this IEX Rule are subject to the same rules applicable to the Members' first quotation, with one exception: the continuous two-sided quote requirement and excused withdrawal procedures described in IEX Rule 11.152 do not apply to Market Makers' Supplemental MPIDs. Supplemental MPIDs may be identified to the Exchange as interest to satisfy a Market Maker's two-sided obligation, in which case in order to be satisfactory, the Supplemental MPID's interest must be no more than the Designated Percentage from the NBBO as described and defined in this IEX Rule 11.151(a).

(b) Firm Quotations

(1) All quotations and orders to buy and sell entered into the System by IEX Market Makers are firm and automatically executable for their displayed and non-displayed size in the System by all Users. A particular IEX Market Maker's quotations may be canceled rather than executed if designated with an AGID modifier which is the same as that of an active opposite side order and originating from the same group type as the Market Maker's order to buy or sell, as set forth in IEX Rule 11.190(e). Notwithstanding the foregoing, Market Makers may not use AGID modifiers to evade the firm quotation obligation.

(c) Impaired Ability to Enter or Update Quotations.

(1) In the event that an IEX Market Maker's ability to enter or update quotations is impaired, the market maker shall immediately contact IEX Market Operations to request the withdrawal of its quotations.

(2) In the event that an IEX Market Maker's ability to enter or update quotations is impaired and the market maker elects to remain in IEX, the IEX Market Maker shall execute an offer to buy or sell received from another Member at its quotations as disseminated through the Exchange.

(d) Reserved.

(e) Locked and Crossed Markets.

(1) Locked and Crossed Markets within the System: Any quotes or orders that are entered into the System that would lock or cross another order in the System will be executed by the System. For displayed orders only, this processing, set forth in IEX Rule 11.190(h)(1), ensures that no locked or crossed markets can exist within the System and that price improvement is allocated fairly.

(2) Inter-market Locked and Crossed Markets.

(A) Definitions. For purposes of this IEX Rule, the following definitions shall apply:

(i) The terms automated quotation, effective national market system plan, intermarket sweep order, manual quotation, NMS stock, protected quotation, the Regular Market Session, and trading center shall have the meanings set forth in Rule 600(b) of Regulation NMS under the Securities Exchange Act of 1934.

(ii) The term "Crossing Quotation" shall mean the display of a bid for an NMS stock during the Regular Market Session at a price that is higher than the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock during the Regular Market Session at a price that is lower than the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(iii) The term "Locking Quotation" shall mean the display of a bid for an NMS stock during the Regular Market Session at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock during the Regular Market Session at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(B) Prohibition. Except for quotations that fall within the provisions of paragraph (C) of this IEX Rule, IEX Members shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying any quotations that lock or cross a protected quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan.

(C) Exceptions.

(i) The locking or crossing quotation was displayed at a time when the trading center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.

(ii) The locking or crossing quotation was displayed at a time when a Protected Bid was higher than a Protected Offer in the NMS stock.

Rule 11.152. Withdrawal of Quotations

(a) Except as provided in paragraph (b) of this IEX Rule, a market maker that wishes to withdraw quotations in a security shall contact IEX Regulation to obtain excused withdrawal status prior to withdrawing its quotations. Withdrawals of quotations shall be granted by IEX Regulation only upon satisfying one of the conditions specified in this IEX Rule.

(b) An IEX Market Maker that wishes to obtain excused withdrawal status based on a market maker's systemic equipment problems, such as defects in an IEX Market Maker's software or hardware systems or connectivity problems associated with the circuits connecting Exchange systems with the IEX Market Maker's systems, shall contact IEX Market Operations. IEX Market Operations may grant excused withdrawal status based on systemic equipment problems for up to five (5) business days, unless extended by IEX Market Operations.

(c) For securities listed on exchanges other than IEX, an IEX Market Maker that wishes to withdraw quotations shall contact IEX Regulation to obtain excused withdrawal status prior to withdrawing its quotations. Excused withdrawal status based on illness, vacations or physical circumstances beyond the Market Maker's control may be granted for up to five (5) business days, unless extended by IEX Regulation. Excused withdrawal status based on investment activity or advice of legal counsel, accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon written request, be granted for not more than sixty (60) days. The withdrawal of quotations because of pending news, a sudden influx of orders or price changes, or to effect

transactions with competitors shall not normally constitute acceptable reasons for granting excused withdrawal status, unless IEX has initiated a trading halt for Market Makers in the security, pursuant to IEX Rule 11.280.

(d) Excused withdrawal status may be granted to an IEX Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a Member of such an agency and is withdrawn from participation in the trade reporting service of the Exchange, thereby terminating its registration as an IEX Market Maker. Provided however, that if IEX finds that the IEX Market Maker's failure to maintain a clearing arrangement is voluntary, the withdrawal of quotations will be considered voluntary and unexcused pursuant to IEX Rule 2.190 and the Rule 11 Series governing the Exchange. IEX Market Makers that fail to maintain a clearing relationship will have their Exchange system status set to "suspend" and be thereby prevented from entering, or executing against, any quotes/orders in the System.

(e) Reserved.

(f) The IEX Appeals Committee shall have jurisdiction over proceedings brought by IEX Market Makers seeking review of the denial of an excused withdrawal pursuant to this IEX Rule, or the conditions imposed on their re-entry.

(g) An IEX Market Maker that wishes to reinstate its quotations in a security after an excused withdrawal pursuant to IEX Rule 11.152 shall contact IEX to notify IEX of its intention to be reinstated. Upon confirmation by IEX that the market maker is reinstated, the market maker will have no longer than ten minutes to meet its market making obligations under IEX Rule 11.152.

Rule 11.153. Voluntary Termination of Registration

(a) An IEX Market Maker may voluntarily terminate its registration in a security by withdrawing its two-sided quotation from the Exchange. An IEX Market Maker that voluntarily terminates its registration in a security may not re-register as a market maker in that security for twenty (20) business days in the case of IEX-listed securities or for one (1) business day in the case of other securities. Withdrawal from participation as an IEX Market Maker in the Exchange shall constitute termination of registration as a market maker in that security for purposes of this IEX Rule; provided, however, that an IEX Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a Member of such an agency and is withdrawn from participation in the Exchange and thereby terminates its registration as an IEX Market Maker may register as an IEX Market Maker at any time after a clearing arrangement has been reestablished unless IEX finds that the IEX Market Maker's failure to maintain a clearing arrangement is voluntary, in which case the withdrawal of quotations will be considered voluntary and unexcused.

(b) Notwithstanding the above, an IEX Market Maker that accidentally withdraws as an IEX Market Maker may be reinstated if:

(1) The IEX Market Maker notified Regulation of the accidental withdrawal as soon as practicable under the circumstances, but within at least one hour of such withdrawal, and immediately thereafter provided written notification of the withdrawal and reinstatement request;

(2) It is clear that the withdrawal was inadvertent and the IEX Market Maker was not attempting to avoid its market making obligations; and

(3) The IEX Market Maker's firm would not exceed the following reinstatement limitations:

(A) For firms that simultaneously made markets in less than 250 stocks during the previous calendar year, the firm can receive no more than two (2) reinstatements per year;

(B) For firms that simultaneously made markets in 250 or more but less than 500 stocks during the previous calendar year, the firm can receive no more than three (3) reinstatements per year; and

(C) For firms that simultaneously made markets in 500 or more stocks during the previous calendar year, the firm can receive no more than six (6) reinstatements per year.

(c) Factors that IEX will consider in granting a reinstatement under paragraph (b) of this IEX Rule include, but are not limited to:

(1) The number of accidental withdrawals by the IEX Market Maker in the past, as compared with IEX Market Makers making markets in a comparable number of stocks;

(2) The similarity between the symbol of the stock that the IEX Market Maker intended to withdraw from and the symbol of the stock that the IEX Market Maker actually withdrew from;

(3) Market conditions at the time of the withdrawal;

(4) Whether, given the market conditions at the time of the withdrawal, the withdrawal served to reduce the exposure of the Member's position in the security at the time of the withdrawal to market risk; and

(5) The timeliness with which the IEX Market Maker notified Regulation of the error.

(d) For purposes of paragraph (a) of this IEX Rule, a Market Maker shall not be deemed to have voluntarily terminated its registration in a security by voluntarily withdrawing its two-sided quotation from the Exchange if the IEX Market Maker's two-sided quotation in the subject security is withdrawn by IEX's systems due to issuer corporate action related to a dividend, payment or distribution, or due to a trading halt, and one of the following conditions is satisfied:

(1) The IEX Market Maker enters a new two-sided quotation prior to the close of the

(2) Regular Market Session on the same day when IEX's systems withdrew such a quotation;

(3) The IEX Market Maker enters a new two-sided quotation on the day when trading resumes following a trading halt, or, if the resumption of trading occurs when the market is not in regular session, the IEX Market Maker enters a new two-sided quotation prior to the opening of the next Regular Market Session; or

(4) Upon request from the market maker, IEX Regulation authorizes the market maker to enter a new two-sided quotation, provided that IEX Regulation receives the market maker's request prior to the close of the Regular Market Session on the next regular trading day after the day on which the Market Maker became eligible to re-enter a quotation pursuant to subparagraph (d)(1) or (d)(2) hereof and determines that the IEX Market Maker was not attempting to avoid its market making obligations by failing to re-enter such a quotation earlier.

(e) The IEX Appeals Committee shall have jurisdiction over proceedings brought by IEX Market Makers seeking review of their denial of a reinstatement pursuant to paragraphs (b) or (d) of this IEX Rule.

Rule 11.154. Suspension and Termination of Quotations

IEX may, pursuant to the procedures set forth in Chapter 9, suspend, condition, limit, prohibit or terminate the authority of an IEX Market Maker or Member Firm to enter quotations in one or more authorized securities for violations of applicable requirements or prohibitions.

Rule 11.160. Reserved.

Rule 11.170. Reserved.

Rule 11.180. Units of Trading

(a) One hundred (100) shares shall constitute a "round lot" or "normal unit of trade," any amount less than 100 shares shall constitute an "odd lot," and any amount greater than 100 shares that is not a multiple of a round lot shall constitute a "mixed lot." Certain securities, as designated by their Listing Markets, have a normal unit of trade of less than 100 shares, and so the Exchange shall conform to the direction of the Listing Markets.

(b) The minimum unit of trading on the System shall be one share.

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) Limit Order. An order to buy or sell a stated amount of a security at a specified price ("limit price") or better. A "marketable" limit order is a limit order to buy (sell) at or above (below) the lowest (highest) Protected Offer (Bid) for the security. A limit order:

(A) May have any time-in-force ("TIF") supported by the System as described in paragraph (c) of this IEX Rule.

(B) May be either IEX Only or routable.

(C) May be an ISO, as defined in paragraph (b)(12) below. ISOs must be marked with a TIF of IOC.

(D) Must be submitted with a limit price.

(E) May be entered during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(i) Limit orders marked IOC are accepted and eligible to trade or route during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(ii) Limit orders marked FOK are accepted and eligible to trade during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(iii) Limit orders marked DAY submitted before the open of the Regular Market Session are queued by the System until the Regular Market Session Opening Process, pursuant to IEX Rule 11.231. Limit orders marked DAY submitted during the Regular Market Session are accepted and begin trading or routing immediately. Limit orders entered into the System marked DAY, if not fully executed or canceled by the User, expire at the end of the Regular Market Session. Limit orders marked DAY are rejected in the Post-Market Session.

(iv) Limit orders marked GTT are accepted and eligible to trade or route during the Pre-Market Session, Regular Market Session, and Post-Market Session. Limit orders entered into the System marked GTT begin trading or routing immediately and, if not fully executed or canceled by the User, expire at the earlier of the expiration time assigned by the User or the end of the Post-Market Session.

(v) Limit orders marked GTX submitted before the open of the Regular Market Session are queued by the System until the Regular Market Session Opening Process, pursuant to IEX Rule 11.231. Limit orders marked GTX submitted during the Regular Market Session and Post-Market Session are accepted and begin trading or routing immediately. Limit orders entered into the System marked GTX, if not fully executed or canceled by the User, expire at the end of the Post-Market Session.

(vi) Limit orders marked SYS are accepted and eligible to trade or route during the Pre-Market Session, Regular Market Session, and Post-Market Session. Limit orders entered into the System marked SYS begin trading or routing immediately and, if not fully executed or canceled by the User, expire at the end of the Post-Market Session.

(F) May be a MQTY, as defined in paragraph (b)(11) below.

(G) May be displayed, non-displayed, or partially displayed.

(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 11.203(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 11.203(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 band, or reaches the Router Constraint, as defined in IEX Rule 11.190(f)(2). A market order:

(A) Must have a TIF of IOC, FOK, or, depending on the User election, may have a TIF of DAY.

(B) May be either IEX Only or routable.

(C) May not be an ISO, as defined in paragraph (b)(12) below.

(D) May not be submitted with a limit price.

(E) May only 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) Market orders marked IOC are rejected during the Pre-Market Session and Post-Market Session. Market orders marked IOC are accepted and eligible to trade or route during the Regular Market Session.

(ii) Market orders marked FOK are rejected during the Pre-Market Session and Post-Market Session. Market orders marked FOK are accepted and eligible to trade during the Regular Market Session.

(iii) Market orders marked DAY, by default, are rejected. When elected by the User, Market orders marked DAY submitted by that User are accepted and eligible to trade or route during the Regular Market Session. Market orders marked DAY are treated by the System as having a TIF of IOC.

(iv) Market orders marked GTT are rejected.

(v) Market orders marked GTX are rejected.

(vi) Market orders marked SYS are rejected.

(F) May be a MQTY, as defined in paragraph (b)(11) below.

(G) Market orders are never displayable.

(3) Pegged Order. A non-displayed order that upon entry into the System and while resting on the Order Book, the price of the order is automatically adjusted by the System in response to changes in the NBBO. A pegged order can specify that its price will equal the inside quote on the same side of the market ("primary peg"); the midpoint of the NBBO ("midpoint peg"); or the midpoint of the NBBO upon entry, the inside quote on the same side of the market while resting, and available for execution against opposing orders within its discretionary

range (i.e. from the resting price to the Midpoint Price or the order's limit, whichever is less aggressive) at a price that uses the minimum amount of discretion necessary to execute the order against an active order ("Discretionary Peg"). A pegged order may have a limit price beyond which the order shall not be executed. A midpoint pegged order or a Discretionary Peg order may be executed in sub-pennies if necessary to obtain a Midpoint Price. A pegged order:

(A) May have any TIF described in paragraph (c) of this IEX Rule. Primary peg orders may not have a TIF of IOC or FOK.

(B) Is not eligible for routing pursuant to IEX Rule 11.230(b) and (c)(2).

(C) May not be an ISO, as defined in paragraph (b)(12) below.

(D) May be submitted with a limit price or without a limit price (an "unpriced pegged order").

(E) May only trade during the Regular Market Session. Pegged orders submitted in the Pre-Market Session may queue for the Opening Process as defined below. Pegged orders submitted during the Post-Market Session will be rejected by the System.

(i) Pegged orders marked IOC are rejected during the Pre-Market Session and Post-Market Session. Pegged orders marked IOC are accepted and eligible to trade during the Regular Market Session. Primary peg orders marked IOC are always rejected.

(ii) Pegged orders marked FOK are rejected during the Pre-Market Session and Post-Market Session. Pegged orders marked FOK are accepted and eligible to trade during the Regular Market Session. Primary peg orders marked FOK are always rejected.

(iii) Pegged orders marked DAY submitted before the open of the Regular Market Session are queued by the System until the Regular Market Session Opening Process, pursuant to IEX Rule 11.231. Pegged orders marked DAY submitted during the Regular Market Session are accepted and begin trading immediately. Pegged orders entered into the System marked DAY, if not fully executed or canceled by the User, expire at the end of the Regular Market Session. Pegged orders marked DAY are rejected during the Post-Market Session.

(iv) Pegged orders marked GTT are rejected during the Pre-Market Session and Post-Market Session. Pegged orders marked GTT submitted during the Regular Market Session are accepted and begin trading immediately. Pegged orders entered into the System marked GTT, if not fully executed or canceled by the User, expire at the earlier of the expiration time assigned by the User or the end of the Regular Market Session.

(v) Pegged orders marked GTX are rejected during the Pre-Market Session and Post-Market Session. Pegged orders marked GTX submitted during the Regular Market Session are accepted and begin trading immediately. Pegged orders entered into the System marked GTX, if not fully executed or canceled by the User, expire at the end of the Regular Market Session.

(vi) Pegged orders marked SYS are rejected during the Pre-Market Session and Post-Market Session. Pegged orders marked SYS submitted during the Regular Market Session are accepted and begin trading immediately. Pegged orders entered into the System marked SYS, if not fully executed or canceled by the User, expire at the end of the Regular Market Session.

(F) May be a MQTY, as defined in paragraph (b)(11) below.

(G) Is not eligible to display. Pegged orders are always non-displayed.

(4) All Orders are processed, prioritized, time-stamped, and managed as described in IEX Rule 11.220.

(b) Order Parameters.

(1) Displayed Order. An order with its full quantity displayed. Limit orders, other than those marked IOC or FOK, may have their unexecuted portions posted on the Order Book. All such orders are considered fully displayed by the System, except those orders marked otherwise by Users, or prohibited from being displayed by the Rules. Displayed orders and displayed portions of orders may be referred to as "quotations" of the Exchange. All Exchange quotations are firm, which means they are automatically executable for their displayed size in the System. All Exchange quotations compete for priority as displayed orders pursuant to IEX Rule 11.220. A displayed order:

(A) Must be a limit order.

(B) Must have a TIF of DAY, GTX, SYS, or GTT.

(C) May be either IEX Only or routable.

(D) May not be an ISO, as defined in paragraph (12) below.

(E) Must be submitted with a limit price.

(F) May be submitted during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(G) May not be a MQTY, as defined in paragraph (11) below.

(H) Must be at least one round lot. If an order marked for display is submitted with, or decremented either by execution or the User order amendment to an order quantity of less than one round lot, it will be treated as an odd lot order which is by definition, non-displayed and will receive a new time stamp, pursuant to IEX Rule 11.220(a)(3).

(I) Is not eligible to be invited by the System to Recheck as described in IEX Rule 11.230(a)(4)(D).

(2) Reserve Order. An order with a portion of the quantity displayed ("display quantity") and with a non-displayed reserve portion of the quantity ("reserve quantity"). The User instructed display quantity must be equal to or greater than a round lot; the System will reject a reserve order with a User instructed display quantity less than a round lot. An incoming reserve order is first processed as a single order of its full, unexecuted share size as it checks the Order Book for eligible resting contra interest. If it is not fully executed, it will be posted to the Order Book and effectively be treated as two discrete orders: one displayed for the User instructed quantity ("displayed portion"), and one non-displayed for all other remaining, unexecuted shares ("non-displayed portion"). For the purposes of pricing reserve orders on the Order Book, displayed portions are treated as displayed orders and non-displayed portions are treated as non-displayed orders. As described in IEX Rule 11.190(h), it is possible for the non-displayed portion to rest at a different price than the displayed portion, since the non-displayed portion is subject to the Midpoint Price Constraint while the displayed portion is subject to display-price sliding. If the displayed portion of the reserve order is decremented such that less than one round lot would be displayed, the displayed portion of the reserve order shall be refreshed for either (i) the original displayed quantity, or (ii) the entire reserve quantity, if the total number of unexecuted shares in the order is smaller than the original User instructed displayed quantity. Each time the displayed portion of the order is refreshed from the reserve quantity, that portion is prioritized behind other existing displayed orders; the priority of the non-displayed portion, however, is unchanged by the refresh process. A reserve order:

(A) Must be a limit order.

(B) Must have a TIF of DAY, GTX, SYS, or GTT.

(C) May be either IEX Only or routable.

(D) May not be an ISO, as defined in paragraph (12) below.

(E) Must be submitted with a limit price.

(F) May be submitted during the Pre-Market Session, Regular Market Session, and Post-Market Trading Session.

(G) May not be a MQTY, as defined in paragraph (11) below.

(H) Must be at least one round lot. If an order marked for display is submitted with, or decremented either by execution or the User order amendment to an order quantity of less than one round lot, it will be treated as an odd lot order which is by definition non-displayed and will receive a new time stamp, pursuant to IEX Rule 11.220(a)(3).

(I) Displayed portions of reserve orders are not eligible to be invited by the System to Recheck as described in IEX Rule 11.230(a)(4)(D).

(3) Non-Displayed Order. An order for which no portion is displayed on the Exchange. A non-displayed order:

(A) May be a market order, limit order, or pegged order. Note that pegged orders must be non-displayed. Additionally, note that market orders are never eligible to rest on the Order Book, and are therefore considered by definition to be non-displayable.

(B) May have any TIF described in section (c) of this IEX Rule. Note that IOC and FOK orders are never eligible to rest on the Order Book, and are therefore considered by definition to be non-displayable.

(C) May be either IEX Only or routable.

(D) May be an ISO, as defined in paragraph (12) below. ISOs may only be marked with a TIF of IOC.

(E) May be submitted with a limit price, but not required if a market order or pegged order.

(F) May be submitted during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(G) May be a MQTY, as defined in paragraph (11) below.

(H) May be an odd lot, round lot, or mixed lot.

(I) Is eligible to be invited by the System to Recheck as described in IEX Rule 11.230(a)(4)(D), except in the case of primary peg orders.

(4) Odd Lot Order. An order to buy or sell an odd lot as defined by Rule 11.180. Odd lot orders are non-displayed orders. Orders that upon entry are less than one round lot are determined to be non-displayed orders. Displayed orders which are decremented by execution or User order amendment to less than one round lot will be treated by the System as non-displayed orders.

(5) Mixed Lot Order. An order to buy or sell a mixed lot as defined by Rule 11.180. Odd lot portions of mixed lot orders marked for display are only eligible to be Protected Quotations if aggregated to form a round lot. Displayed orders that are decremented by execution or User order amendment to less than one round lot will be converted by the System to non-displayed orders.

(6) IEX Only Order. An order that is to be ranked and executed on the Exchange pursuant to IEX Rule 11.220 and IEX Rule 11.230(a)(1) or canceled, without routing away to an away trading center. An IEX Only order posting to the Order Book, will be subject to the price sliding process as set forth in paragraph (h).

(7) Reserved.

(8) Primary Peg Order. A pegged order that upon entry and when posting to the Order Book is priced by the System to be equal to and ranked at the less aggressive of 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. A primary peg order:

(A) Must be a pegged order.

(B) Must have a TIF of DAY, GTT, GTX, or SYS, as described in IEX Rule 11.190(a)(3).

(C) Is not eligible for routing pursuant to IEX Rule 11.230(b) and (c)(2).

(D) May not be an ISO, as defined in paragraph (12) below.

(E) May be submitted with a limit price or without a limit price (an "unpriced pegged order").

(F) Is eligible to trade only during the Regular Market Session. As provided in IEX Rule 11.190(a)(3)(D), any pegged order, marked with a TIF of DAY that is submitted to the System before the opening of the Regular Market Session will be queued by the System until the start of the Regular Market Session; any pegged order that is marked with a TIF other than DAY will be rejected when submitted to the System during the Pre-Market Session. Any pegged order submitted into the System after the closing of the Regular Market Session will be rejected.

(G) May be a MQTY, as defined in paragraph (11) below.

(H) Is not eligible to display. Pegged orders are always non-displayed.

(I) May be an odd lot, round lot, or mixed lot.

(J) Is not eligible to be invited by the System to Recheck as described in IEX Rule 11.230(a)(4)(D).

(9) Midpoint Peg Order. A pegged order that upon entry and when posting to the Order Book is priced by the System to be equal to and ranked at the less aggressive of the Midpoint Price 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 changes in the midpoint of the NBBO as allowed by the order's limit price, if any. For stocks priced below one dollar, where Midpoint Price may be expressed within four (4) decimal places of the dollar, the Exchange uses the Midpoint Price; for Midpoint Prices which would require a fifth decimal place beyond the dollar, the Exchange uses the nearest, passive, fourth decimal price. A midpoint peg order:

(A) Must be a pegged order.

(B) May have any TIF described in paragraph (c) of this IEX Rule and as described in IEX Rule 11.190(a)(3).

(C) Is not eligible for routing pursuant to IEX Rule 11.230(b) and (c)(2).

(D) May not be an ISO, as defined in paragraph (12) below.

(E) May be submitted with a limit price or without a limit price (an "unpriced pegged order").

(F) Is eligible to trade only during the Regular Market Session. As provided in IEX Rule 11.190(a)(3)(D), any pegged order marked with a TIF of DAY that is submitted to the System before the opening of the Regular Market Session will be queued by the System until the start of the Regular Market Session; any pegged order that is marked with a TIF other than DAY will be rejected when submitted to the System during the Pre-Market Session. Any pegged order submitted into the System after the closing of the Regular Market Session will be rejected.

(G) May be a MQTY, as defined in paragraph (11) below.

(H) Is not eligible to display. Pegged orders are always non-displayed.

(I) May be an odd lot, round lot, or mixed lot.

(J) Eligible to be invited by the System to Recheck the Order Book to trade against interest resting at the Midpoint Price as described in IEX Rule 11.230(a)(4)(D).

(10) Discretionary Peg Order. A pegged order that upon entry is priced by the System to be equal to the less aggressive of the Midpoint Price or the order's limit price, if any. Any unexecuted shares of such order are posted to the Order Book priced to be equal to and ranked at the less aggressive of the primary quote 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) below. 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) Must be a pegged order.

(B) May have any TIF described in paragraph (c) of this IEX Rule and as described in IEX Rule 11.190(a)(3).

(C) Is not eligible for routing pursuant to IEX Rule 11.230(b) and (c)(2).

(D) May not be an ISO, as defined in paragraph (12) below.

(E) May be submitted with a limit price or without a limit price (an "unpriced pegged order").

(F) Is eligible to trade only during the Regular Market Session. As provided in IEX Rule 11.190(a)(3)(D), any pegged order marked with a TIF of DAY that is submitted to the System before the opening of the Regular Market Session will be queued by the System until the start of the Regular Market Session; any pegged order that which is marked with a TIF other than DAY will be rejected when submitted to the System during the Pre-Market Session. Any pegged order submitted into the System after the closing of the Regular Market Session will be rejected.

(G) May be a MQTY, as defined in paragraph (11) below.

(H) Is not eligible to display. Pegged orders are always non-displayed.

(I) May be an odd lot, round lot, or mixed lot.

(J) Is eligible to be invited by the System to Recheck the Order Book to trade against interest resting at the Midpoint Price as described in IEX Rule 11.230(a)(4)(D).

(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 above the NBB.

(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 below the NBO.

(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) May be a market order, limit order, or pegged order.

(B) May have any TIF described in paragraph (c) of this IEX Rule, except a TIF of FOK. A MQTY submitted to the System with a TIF of FOK will be rejected.

(C) Is not eligible for routing pursuant to IEX Rule 11.230(b) and (c)(2).

(D) May not be an ISO, as defined in paragraph (12) below.

(E) May be submitted with or without a limit price.

(F) May be entered during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(G) Based on User instruction, the Exchange utilizes one of the following methods to determine satisfaction of the minimum quantity parameter for an order:

(i) Methods. A MQTY must be marked Composite, Minimum Execution Size with Cancel Remaining ("MinExec with Cancel Remaining"), or Minimum Execution Size with All-or-None Remaining ("MinExec with AON Remaining").

(ii) When a MQTY has fewer remaining unexecuted shares than its effective minimum quantity.

(a) If marked MinExec with Cancel Remaining, the System will cancel the order back to the User.

(b) Otherwise, the System will treat the order as having an effective minimum quantity equal to its number of unexecuted shares.

(iii) When a MQTY is active (i.e. an active order).

(a) If marked Composite, it executes against all willing resting orders of any size, provided that the aggregate execution size is equal to or greater than its effective minimum quantity.

(b) If marked MinExec with Cancel Remaining or MinExec with AON Remaining, it executes against each willing resting order in priority, provided that each individual execution size meets its effective minimum quantity. Upon reaching a resting order that would trade with the MQTY, but does not satisfy its effective minimum quantity, the MQTY will post to the Order Book or cancel back to the User as per the order's instructions.

(iv) When a MQTY is resting on the Order Book (i.e. a resting order).

(a) The MQTY executes against a willing active order provided the active order's remaining unexecuted shares are equal to or greater than the MQTY's effective minimum quantity.

(H) May be an odd lot, round lot, or mixed lot.

(12) Inter-market Sweep Orders. The System will accept incoming Inter-market Sweep Orders ("ISO") (as such term is defined in Regulation NMS). In order to be eligible for treatment as an Inter-market Sweep Order, the limit order must be marked "ISO" and the User entering the order must simultaneously route one or more additional

limit orders marked "ISO," as necessary, to away markets to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the Inter-market Sweep Order entered in the System. Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the System without regard to Protected Quotations at away markets consistent with Regulation NMS (i.e., may trade through such quotations). The Exchange relies on the marking of an order as an ISO order when handling such order, and thus, it is the entering User's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Inter-market Sweep Orders. An ISO:

(A) Must be a limit order.

(B) Must have a TIF of IOC.

(C) Is not eligible for routing pursuant to IEX Rule 11.230(b) and (c)(2).

(D) Must be submitted with a limit price.

(E) May be submitted during the Pre-Market Session, Regular Market Session, and Post-Market Session.

(F) May not be a MQTY.

(G) May be an odd lot, round lot, or mixed lot.

• • • Supplementary Material • • •

.01 Reserve Orders

As stated in paragraph (b)(2) of this IEX Rule, if a reserve order is not fully executed, it will be posted to the Order Book and effectively treated as two discrete orders: one displayed for the User instructed quantity ("displayed portion"), and one non-displayed for all other remaining, unexecuted shares ("non-displayed portion"). For the purposes of pricing reserve orders on the Order Book, displayed portions are treated as displayed orders and non-displayed portions are treated as non-displayed orders. As described in IEX Rule 11.190(h), it is possible for the non-displayed portion of a reserve order to rest at a different price than the displayed portion of the reserve order, since the non-displayed portion is subject to the Midpoint Price Constraint while the displayed portion is subject to display-price sliding.

For example, NBBO is $10.01 x $10.02 and IEX does not have any orders resting at the NBO.

IEX receives a non-routable, reserve DAY buy order for 1000 shares with a limit of $10.02 and a User instructed display quantity of 200 shares. After testing the Order Book at $10.02 and receiving no execution, the order is split into the displayed portion, a displayed DAY buy order for 200 shares with a limit of $10.02, and the non-displayed portion, a non-displayed DAY buy order for 800 shares with a limit of $10.02. The displayed portion, subject to display-price sliding, is booked and ranked on the Order Book displayed at a price equal to one (1) MPV below the current NBO, which is $10.01. The non-displayed portion, subject to the Midpoint Price Constraint, is booked and ranked on the Order Book non-displayed at a price equal to the new Midpoint Price, which is $10.015.

.02 Priority of Non-Display Portions of Reserve Orders.

When initially posting to the Order Book, the non-displayed portion of a reserve order will be prioritized behind any pre-existing non-displayed interest at the price at which it is posted as a result of its having a newer timestamp. This holds true even if any such interest is re-priced as a consequence of the displayed portion of that reserve order being posted to the Order Book (i.e. having tightened the spread).

.03 Minimum Quantity Orders.

Composite. When taking liquidity, minimum quantity size for a MQTY marked Composite is satisfied by one or more orders on the IEX Book, provided the amount traded in aggregate will at least equal the order's effective minimum quantity. For a resting MQTY

marked Composite, if the specified minimum quantity of shares is not satisfied by a given contra side active order, the order will surrender its priority position only for the duration of processing said active order against the Order Book.

For example, NBBO is $10.01 x $10.02.

IEX receives three non-routable, non-displayed DAY sell orders: the first order, ORDER#1, for 200 shares with a limit of $10.02 is booked and ranked at the offer; the second order, ORDER#2, for 400 shares with a limit of $10.02, joins the offer at IEX and is ranked behind ORDER#1; the third order, ORDER#3, for 500 shares with a limit of $10.02, joins the offer at IEX and is ranked behind ORDER#2.

Next, IEX receives a non-routable, non-displayed DAY buy MQTY for 7,500 shares marked Composite with a limit price of $10.02 and minimum quantity size of 1,000 shares, ORDER#4. Since the aggregate size of all three sell orders exceeds the minimum quantity size of ORDER#4, three discrete executions representing a cumulative 1,100 shares occur in one single atomic action, i.e. a single book processing action, in which ORDER#4 removes the resting sell interest. The first execution is for 200 shares at $10.02, which fully fills the oldest resting sell limit order on the offer, ORDER#1. The second execution is for 400 shares at $10.02, and fully fills the next oldest resting sell limit order on the offer, ORDER#2. The third execution is for 500 shares at $10.02, and fully fills the youngest resting sell limit order on the offer, ORDER#3. As a result of this event, ORDER#4 is decremented to a quantity of 6,400 shares from the original 7,500 shares and booked at the Midpoint Price.

MinExec with Cancel Remaining. When taking liquidity, minimum quantity size for a MQTY marked MinExec with Cancel Remaining must be satisfied by each order on the IEX Book that will execute against the MQTY. If the active MQTY reaches a resting order that would trade with it, but such order does not satisfy its minimum quantity size, the MQTY will post to the IEX Book or be cancelled back to the User as per the order's TIF instructions.

For example NBBO is $10.01 x $10.02.

IEX receives ORDER#1, a DAY midpoint peg buy MQTY for 900 shares marked MinExec with Cancel Remaining with a limit price of $10.05 and minimum quantity size of 500 shares. ORDER#1 is booked and ranked at the Midpoint Price, $10.015.

IEX receives a DAY midpoint peg sell order for 200 shares with a limit price of $9.99, ORDER#2, which is booked at the prevailing Midpoint Price of $10.015.

IEX receives another DAY midpoint peg sell order for 600 shares with a limit price of $10.00, ORDER#3. Order #3 will execute 600 shares against Order #1 because it meets the minimum quantity requirement of Order #1. The remaining 300 shares of Order #1 will cancel back to the User.

MinExec with AON Remaining. The only variation in behavior between MinExec with Cancel Remaining and AON Remaining in the example above is that ORDER#1's 300 remaining shares would remain on the Order Book and be treated as having an effective minimum quantity of 300 shares.

(c) Time-in-Force. Orders must have one of the following time-in-force terms.

(1) Immediate-or-Cancel ("IOC"). Orders entered into the System marked IOC are executed on the Exchange or routed to an away venue, in whole or in part, as soon as such order is received, and the portion not so executed is canceled. Orders marked IOC are never posted to the Order Book and considered by definition to be non-displayable orders.

(2) Fill or Kill ("FOK"). Orders entered into the System marked FOK are immediately executed on the Exchange for their full quantity or otherwise canceled. Orders marked FOK are never posted to the Order Book and considered by definition to be non-displayable orders. Routable orders marked FOK are rejected.

(3) Day ("DAY"). Orders entered into the System marked DAY may queue during the Pre-Market Session. When queued, orders will participate in the Opening Process before becoming available for the Regular Market Session. Orders marked DAY are only available for trading or routing during the Regular Market Session and expire at the end of the Regular Market Session.

(4) Good 'til Extended Day ("GTX"). Orders entered into the System marked GTX may queue during the Pre-Market Session. When queued, orders will participate in the Opening Process before becoming available for the Regular Market Session. Orders marked GTX are available for trading or routing during both the Regular Market Session and Post-Market Session, and expire at the end of the Post-Market Session.

(5) System Session ("SYS"). Orders entered into the System marked SYS may trade or route during System Hours and expire at the end of the Post-Market Session.

(6) Good 'til Time ("GTT"). Orders entered into the System marked GTT may trade or route during System Hours and expire at the earlier of the User specified expire time or the end of the Post-Market Session.

(d) Cancel and Cancel/Replace ("Order Amendment") Messages. A User may, by appropriate entry in the System, cancel or replace an existing order entered by the User, subject to the following limitations.

(1) Orders may only be replaced if the order has a time-in-force term other than IOC or FOK and if the order has not yet been fully executed. Market orders may not be replaced.

(2) If an order has been routed to an away trading center, the order will be placed in a "Pending" state until the routing process is completed. Executions that are completed when the order is in the "Pending" state will be processed normally.

(3) Supported Fields. Only the limit price, the order quantity, and the minimum quantity size of the order may be changed by a Replace Message and are considered supported fields. Unpriced pegged orders may have a limit price added to the order by a Replace Message, however the limit price may never be removed from an order. If a User desires to change any other terms of an existing order the existing order must be canceled and a new order must be entered.

(4) Invalid Fields. Symbol, side, execution instruction, order type, and TIF are considered invalid fields. If a User attempts modify an invalid field by submitting a Replace Message, the order amendment will be rejected by the Exchange. If a User desires to modify an invalid field on an order, the existing order must be canceled and a new order must be entered.

(5) Unsupported Fields. All fields not listed in paragraphs (3) and (4) above are considered unsupported fields. If a User desires to modify an unsupported field, the existing order must be canceled and a new order must be entered.

(6) If an order amendment contains an invalid field, defined in paragraph (4) above, alone or in conjunction with a supported field, defined in paragraph (3) above, the Exchange will reject the amendment. If an order amendment contains an unsupported field alone, defined in paragraph (5) above, the Exchange will reject the amendment. If an order amendment contains an unsupported field and a supported field, the Exchange will amend the supported field and ignore the unsupported field. The Exchange will periodically update its FIX Specification to specify supported fields, invalid fields, and unsupported fields.

(7) Cancel and Cancel/Replace messages will be processed in the order in which they are received by the System.

(8) Notwithstanding anything to the contrary in these IEX Rules, no cancellation or replacement of an order will be effective until such message has been received and processed by the System.

(e) Anti-Internalization Group Identifier ("AGID") Modifier. An y active order designated with an AGID modifier will be prevented from executing against a resting opposite side order also designated with the same AGID modifier and originating from the same market participant identifier ("MPID") or Exchange User (any such identifier, a "group type"). In situations when two orders subject to anti-internalization would match, the older of the orders is canceled. Determination of "older" is based upon the time the order is received by the System, including by initial order entry,

User revision (i.e., cancel/replace), or returning to the System from routing. The group type elected by a Member controls the interaction between two orders marked with AGID modifiers.

(1) Group Type. The User group type will prevent any two orders marked with the same AGID modifier originating from the same User from matching. The MPID group type will prevent any two orders marked with the same AGID modifier originating from the same MPID from matching.

(2) Default Order Marking. Based on User instruction, the Exchange may mark orders with a default AGID modifier by FIX session, i.e., order entry port. Principal and Agency/Riskless Principal orders may have different default settings.

(3) Free-to-Trade Identifier. Users may designate an order as available to match with opposite side orders within the elected group type by marking the AGID modifier of the order with the "free-to-trade" identifier.

(4) Compatibility with Book Recheck, as described in IEX Rule 11.230(a)(4)(D). In the event that an active order, (i.e., the order that has been invited to Recheck against the Order Book), is older than a resting order subject to anti-internalization, the active order will be canceled upon reaching the resting order in the course of Order Book Priority.

(5) Compatibility with MQTY, as described in paragraph (b)(11) above. In the event an active order subject to anti-internalization is a MQTY or an order marked with a TIF of FOK, the Exchange will determine satisfaction of the size requirement without excluding any resting orders from the same User or MPID that would otherwise be canceled under anti-internalization. This may result in total executed shares being less than the minimum quantity size value in an amount equal to the shares prevented from executing resulting from anti-internalization.

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.01 Best Execution

IEX notes that use of the AGID modifier does not relieve or otherwise modify the duty of best execution owed to orders received from customers. As such, market participants using the AGID modifier will need to take appropriate steps to ensure customer orders that do not execute because they were subject to anti-internalization ultimately receive the same execution price (or better) than they would have originally obtained if execution of the order was not inhibited by anti-internalization.

.02 Firm Quote Obligations

Market Makers and other Users must not use the AGID modifier to evade the firm quotation obligation, as specified in IEX Rule 11.151(b).

.03 Just and Equitable Principles of Trade

The AGID modifier must be used in a manner consistent with just and equitable principles of trade.

(f) Order Price Collars and Constraints

(1) Order Collar. The Exchange Order Collar prevents any incoming order or order resting on the Order Book, including those marked ISO, from executing at a price outside the Order Collar price range, i.e. prevents buy orders from trading at prices above the collar and prevents sell orders from trading at prices below the collar. The Order Collar price range is calculated using the numerical guidelines for clearly erroneous executions. Executions are permitted at prices within the Order Collar price range, inclusive of the boundaries. Any portion of a market order that would execute at a price beyond the Order Collar is canceled. Any remainder of a limit

or pegged order that would execute at a price beyond the Order Collar is posted to the Order Book or canceled as per User instructions. Both displayed and non-displayed portions of limit orders or pegged orders may post on the Order Book at the Order Collar Price, but never more aggressive. Such orders may be re-priced to a compliant price within or at the Order Collar as the Order Collar price changes due to changing market conditions.

(A) The Order Collar Reference Price is equal to the most current of the following:

(i) Consolidated last sale price disseminated during the Regular Market Session on trade date.

(ii) Last trade price disseminated outside of the Regular Market Session (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price.

(iii) If neither (i) or (ii) are available, prior day's Official Closing Price from the listing exchange, adjusted to account for corporate actions, news events, etc.

(B) In the absence of an Order Collar Reference Price, the Exchange will either prevent trading in a security (by rejecting orders for the security) or suspend the Order Collar function, in the interest of maintaining a fair and orderly market in the impacted security.

(C) The Exchange calculates the Order Collar price range for a security by applying the Numerical Guideline for the appropriate market session and reference price (see table below) to the Order Collar Reference Price, as defined in paragraph (A) above. The result is added to the Order Collar Reference Price to determine the Order Collar Price for buy orders, while the result is subtracted from the Order Collar Reference Price to determine the Order Collar Price for sell orders. The appropriate Order Collar Price is assigned to all orders upon entry and enforced throughout the life of an order; the Order Collar Price is updated each time the Order Collar Reference Price is updated by the System.

(D) The Numerical Guideline used in the Order Collar Price calculation is based on the table below:

Order Collar Reference Price	Regular Market Session Numerical Guidelines	Pre-Market and Post-Market Sessions Numerical Guidelines
Greater than $0.00 up to and including $25.00	10%	20%
Greater than $25.00 up to and including $50.00	5%	10%
Greater than $50.00	3%	6%

These percentages are based upon the numerical guidelines for clearly erroneous executions under IEX Rule 11.270.

(2) Router Constraint. The Exchange Router Constraint prevents any order from routing at prices more aggressive than the Router Constraint price range. The Router Constraint price range is calculated using the numerical guidelines for clearly erroneous executions. Orders are permitted to route at prices within the Router Constraint

price range, inclusive of the boundary. Any portion of an order that would have executed at a price more aggressive than the Router Constraint is canceled back to the User. While resting on the Order Book, routable orders are subject to the Order Collar, as defined in IEX Rule 11.190(f)(1). Any time a routable order would route at a price beyond the Router Constraint Price, the System will instead cancel the order back to the User.

(A) The Router Constraint Reference Price is equal to the most current of the following:

(i) Consolidated last sale price disseminated during the Regular Market Session on trade date.

(ii) Last trade price disseminated outside of the Regular Market Session (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price.

(iii) If neither (i) or (ii) are available, prior day's Official Closing Price from the listing exchange, adjusted to account for corporate actions, news events, etc.

(B) In the absence of a valid Router Constraint Reference Price, the Exchange will reject any routable orders for the security.

(C) The Exchange calculates the Router Constraint Price for a routable order by applying the Numerical Guideline for the appropriate market session and reference price (see table below) to the Router Constraint Reference Price, as defined in paragraph (A) above. The result is added to the Router Constraint Reference Price to determine the Router Constraint Price for buy orders, while the result is subtracted from the latest Router Constraint Reference Price to determine the Router Constraint Price for sell orders. The Router Constraint Price is calculated at the start of a routing action, including a re-sweep, and remains unchanged until the order posts on the Order Book or is canceled as per User instructions.

(D) The Numerical Guideline used in the Router Constraint Price calculation is based on the table below:

Router Constraint Reference Price	Regular Market Session Numerical Guidelines	Pre-Market and Post-Market Sessions Numerical Guidelines
Greater than $0.00 up to and including $25.00	10%	20%
Greater than $25.00 up to and including $50.00	5%	10%
Greater than $50.00	3%	6%

These percentages are based upon the numerical guidelines for clearly erroneous executions under IEX Rule 11.270.

(3) Crossed Market Collar. In the event that a Protected Bid is crossing a Protected Offer, the System does not execute any portion of an active buy order at a price more than the greater of five cents ($0.05) or one half of a percent (0.5%) higher than the lowest Protected Offer, or any portion of an active sell order at a price more than the greater of five cents ($0.05) or one half of a percent (0.5%) lower than the highest Protected Bid,

unless such order is marked ISO. To the extent an incoming order is eligible to execute against an order resting on the Order Book because a Protected Bid is crossing a Protected Offer, but such incoming order is eligible for routing and there is a Protected Bid or Protected Offer available at an away trading center that is better priced than the bid or offer against which the order would execute on the System, the System first seeks to route the order to such better priced quotation pursuant to IEX Rule 11.230(b). When an order posts to or is resting on the Order Book while a Protected Bid is crossing a Protected Offer, the order will price slide in accordance with the price sliding process, pursuant to IEX Rule 11.190(h).

(4) One-Sided Markets. One-Sided Markets are markets which lack either a Protected Bid or a Protected Offer.

(A) In a One-Sided Market, non-displayed interest is handled in the following manner:

(i) Non-displayed interest entering the System will first test for available displayed interest resting on the Order Book. Routable non-displayed interest may route to Protected Quotations on the opposite side of the market. Any unexecuted non-displayed interest will be unavailable to trade once it posts on the Order Book.

(ii) Resting non-displayed interest on IEX is unavailable to trade.

(iii) When a two-sided market returns, non-displayed orders become available at their relative priority.

(B) In a One-Sided Market, displayed interest is handled in the following manner:

(i) When IEX receives displayable interest on the same side of the market as the Protected Bid or Protected Offer:

(a) Displayed interest marked IEX Only posts and displays at the most aggressive allowable price.

(b) Routable displayable orders can route passively to rest on away trading centers with limit orders marked with a TIF of DAY (i.e., Route to Rest, pursuant to IEX Rule 11.230(c)(6)), but the router will not designate outbound orders with a TIF of IOC.

(ii) When IEX receives displayable interest on the side of the market opposite a best Protected Quote:

(a) Displayed interest marked IEX Only is eligible to trade with interest that is present on the Exchange and will post any unexecuted shares, order instructions allowing, subject to displayed-price sliding, as per paragraph (h)(1) below.

(b) For routable orders, the System will route the order consistent with Rule 11.230(b)(2).

(5) Zero Markets. Zero Markets are markets in which neither a Protected Bid nor a Protected Offer exists.

(A) In a Zero Market, resting non-displayed interest is unavailable to trade. Non-displayed orders are not eligible to route when Zero Markets exist. When a Two-Sided Market returns, non-displayed orders become available at their relative priority and may route consistent with Rule 11.230(b)(2), if eligible for re-sweep.

(B) In a Zero Market, displayable interest will post and display at the most aggressive allowable price. Displayable orders can only route passively to rest on away trading centers (i.e. Route to Rest, pursuant to IEX Rule 11.230(c)(6)), if routable.

(g) Quote Stability. 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 NBB to a lower price or 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 NBB and NBO for each security.

(1) Crumbling Quote. When the System determines a quote, either the NBB or the NBO, is unstable, the determination remains in effect at that price level for ten (10) milliseconds. The System will only treat one side of the NBBO as unstable in a particular security at any given time. Quote instability or a crumbling quote is determined by the System when following factors occur:

(A) the NBB and NBO are the same as the NBB and NBO one (1) millisecond ago; and

(B) the NBBO spread is less than or equal to the thirty (30) day median NBBO spread during the Regular Market Session; and

(C) there are more Protected Quotations on the far side, i.e. more Protected Quotations on the NBO than the NBB for buy orders, or more Protected Quotations on the NBB than the NBO for sell orders; and

(D) the quote instability factor result from the quote stability calculation is greater than the defined quote instability threshold.

(i) Quote Instability Factor. The Exchange's proprietary quote stability calculation used to determine the current quote instability factor is defined by the following formula that utilizes the quote stability coefficients and quote stability variables defined below:
$1/ (1 + e \wedge -(C_0 + C_1 * N + C_2 * F + C_3 * N_{-1} + C_4 * F_{-1}))$

(a) Quote Stability Coefficients. The Exchange utilizes the values below for the quote stability coefficients.

(1) $C_0 = -2.39515$

(2) $C_1 = -0.76504$

(3) $C_2 = 0.07599$

(4) $C_3 = 0.38374$

(5) $C_4 = 0.14466$

(b) Quote Stability Variables. The Exchange utilizes the quote stability variables defined below to calculate the current quote instability factor.

(1) N = the number of Protected Quotations on the near side of the market, i.e. NBB for buy orders and NBO for sell orders.

(2) F = the number of Protected Quotations on the far side of the market, i.e. NBO for buy orders and NBB for sell orders.

(3) N_{-1} = the number of Protected Quotations on the near side of the market one (1) millisecond ago.

(4) F_{-1} = the number of Protected Quotations on the far side of the market one (1) millisecond ago.

(ii) Quote Instability Threshold. The Exchange utilizes a quote instability threshold of 0.32.

(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.

(h) Price Sliding. The System will process orders pursuant to the "price sliding process," which includes the following:

(1) Display-Price Sliding.

(A) An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market will be ranked and displayed by the System at one (1) MPV below the current NBO (for bids) or one (1) MPV above the current NBB (for offers) ("display-price sliding").

(B) An order subject to display-price sliding will retain its limit price irrespective of the price at which such order is ranked and displayed. In the event the NBBO changes such that an order subject to display-price sliding would no longer lock or cross the Protected Quotation of an external market, the order will receive a new timestamp, and will be displayed at the most aggressive permissible price. Such orders may be re-priced once or multiple times, depending on changing market conditions and the order's limit price.

(C) The following orders are subject to display-price sliding:

(i) IEX Only (non-routable) orders are always subject to display-price sliding, as applicable.

(ii) The displayed portion of a reserve order is always subject to the display-price sliding process when being refreshed from the non-displayed portion, as applicable.

(iii) Resting routable orders, including any portion of a routable order returning to the Exchange after routing, are subject to the display-price sliding process, as applicable, except in the case where the order, through the Outbound Router, has immediately prior to posting, satisfied all Regulation NMS Protected Quotations at prices better than, and prices equal to, the price at which the System intends to display such orders.

(2) Non-Displayed Price Sliding ("Midpoint Price Constraint"). A non-displayed limit order posting to the Order Book which has a limit price more aggressive than the Midpoint Price is booked and ranked on the Order Book non-displayed at a price equal to the Midpoint Price. To reflect changes to the NBBO, the order is automatically re-priced by the System in response to changes in the NBBO to be equal to the less aggressive of the order's limit price or the Midpoint Price.

(3) Locked and Crossed Markets.

(A) In the event that the market becomes locked, the System will observe the following practices for displayed orders:

(i) Resting orders that are displayed at the price of the locking quotation ("locking price") as defined in IEX Rule 11.310, and were originally displayed in compliance with rules and regulations of the Exchange and the Act will maintain their displayed price and quantity.

(ii) Displayable orders posting to the Order Book on the same side as an order which is locked and was originally displayed, as per paragraph (i) above, are not permitted to join the locking price. Such orders will be displayed and ranked by the System pursuant to the Exchange's display-price sliding practices described in paragraph (1) above.

(B) In the event that the market becomes crossed, the System will observe the following practices for displayed orders:

(i) Resting orders that are displayed at a price which has become crossed and were originally displayed in compliance with rules and regulations of the Exchange and the Act will maintain their displayed price and quantity.

(ii) Displayable buy (sell) orders being posted to the Order Book during a crossed market will be displayed and ranked by the System one (1) MPV below (above) the lowest Protected Offer (highest Protected Bid).

(C) In the event that the market becomes locked, the System will observe the following practices for non-displayed orders:

(i) In the event the market becomes locked, the Exchange shall consider the Midpoint Price to be equal to the locking price.

(ii) In the event that the market becomes locked, primary peg orders and Discretionary Peg orders resting on or posting to the Order Book are priced to the less aggressive price of either (a) the prior non-locked near-side quote or (b) one (1) MPV less aggressive than the locking price. If a Discretionary Peg order is submitted to the Exchange by a User while the market is locked, the order initially checks for available contra-side interest on the Order Book at the Midpoint Price (the locking price) before posting.

(D) In the event that the market becomes crossed, the System will observe the following practices for non-displayed orders:

(i) In the event the market becomes crossed, the Exchange shall consider the Midpoint Price indeterminable. Midpoint peg orders, Discretionary Peg orders, and non-displayed orders that would otherwise be subject to Midpoint Price Constraint, pursuant to paragraph (2) above, will be priced by the System to be no more aggressive than the crossing price, the lowest Protected Offer for buy orders and the highest Protected Bid for sell orders.

(ii) In the event that the market becomes crossed, primary peg orders and Discretionary Peg orders resting on or posting to the Order Book are priced to the less aggressive of; either (a) the prior non-crossed (and non-locked) near-side quote or (b) one (1) MPV away from the crossed quote. If a Discretionary Peg order is submitted to the Exchange by a User while the market is crossed, the order initially checks for matches on the Order Book at the crossing price, the lowest Protected Offer for buy orders and the highest Protected Bid for sell orders, before posting.

(4) Short Sale Price Sliding. The re-pricing described in this sub-paragraph constitutes “short sale price sliding” for short sale orders.

(A) For purposes of this IEX Rule, the terms "covered security", "listing market", and "national best bid" shall have the same meaning as in Rule 201 of Regulation SHO. The term Short Sale Period is defined in IEX Rule 11.290(d). The term Short Sale Price Test is defined in IEX Rule 11.290(b).

(B) During a Short Sale Period, any active short sale order not marked short exempt is prevented by the System from executing at or below the current NBB.

(C) A displayable short sale order not marked short exempt that, at the time of entry, could not be executed or displayed in compliance with Rule 201 of Regulation SHO will be repriced and ranked by the System on the Order Book displayed at a price equal to one MPV above the current NBB (the “Permitted Display Price”). To reflect declines in the NBB, the System will continue to re-price a resting displayed short sale order not marked short exempt to be equal to the higher of the order’s limit price or a Permitted Display Price.

(D) During a Short Sale Period, the System may execute a displayed short sale order not marked short exempt (including the displayed portion of a short sale reserve order not marked short exempt) below the Permitted Display Price if, at the time of initial display of such short sale order, the order was displayed at

a price above the then current NBB. This provision does not apply to shares refreshing from the non-displayed portion to the displayed portion of a short sale reserve order not marked short exempt; such displayed portion is subject to short sale price sliding.

(E) A non-displayable short sale order not marked short exempt that, at the time of entry, could not be executed in compliance with Rule 201 of Regulation SHO will be repriced and ranked by the System on the Order Book non-displayed pursuant to the Midpoint Price Constraint at the current Midpoint Price ("Permitted Non-Displayed Book Price"). In situations where the current Midpoint Price is equal to the NBB (i.e. a locked market) or the market is crossed, the Permitted Non-Displayed Book Price will be equal the Permitted Display Price. During a Short Sale Period, non-displayed short sale orders not marked short exempt (including non-displayed portions of short sale reserve orders not marked short exempt) resting on the Order Book that become locked or crossed by the NBB will be re-priced by the System at a Permitted Non-Displayed Book Price. To reflect declines in the NBB, the System will continue to re-price a resting non-displayed short sale order not marked short exempt to be equal to the higher of the order's limit price or a Permitted Non-Displayed Book Price.

(F) During a Short Sale Period, orders marked "short exempt" will not be subject to short sale price sliding. The System will accept orders marked "short exempt" at any time when the System is open for order entry, regardless of whether the Short Sale Price Test has been triggered.

(5) Limit Up-Limit Down Price Constraint. For purposes of this IEX Rule the terms "Plan" and "Limit Up-Limit Down Plan" mean the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS. The term "Lower Price Band" and "Upper Price Band" shall be defined as per the Plan. An order that would post to the Order Book with a limit price more aggressive than the applicable Upper Price Band (for buy orders) or Lower Price Band (for sell orders) will be posted, and displayed if applicable, at the Price Band. An order subject to Limit Up-Limit Down Price Constraint will retain its limit price irrespective of the prices at which such order is ranked. In the event the Band Price changes such that an order subject to Limit Up-Limit Down Price Constraint would no longer be more aggressive than the Band Price, the order will be re-priced to the most aggressive allowable price and receive a new timestamp.

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.01 Price Sliding and Time Priority.

Due to the way in which IEX processes actions to resting orders, specifically when re-pricing, orders' relative time priority is generally preserved. IEX assigns time priority, specifically a resting order's time priority, as the time when it is posted to the book at a given price, and each time the System re-prices an order, it necessarily receives a new time priority (i.e. timestamp).

For example, two midpoint peg buy orders with aggressive limit prices are posted to the Order Book at 10.105, the Midpoint Price of the NBBO of 10.10 x 10.11.

ORDER#1 is a buy with a limit price of 10.12 and is the older order.

ORDER#2 is a buy with a limit price of 10.15 and is the younger order.

When the NBBO changes to 10.10 x 10.12, IEX will re-price those 10.105 buys to 10.11, re-pricing ORDER#1 first and ORDER#2 second, preserving their relative time priority.

In the case where those same orders have different limit prices, it is possible for the relative time priority of orders to change if the market moves cause one to be re-priced but not the other.

Suppose in the above example, the NBBO now moves to 10.14 x 10.16; ORDER#2 will be resting at the Midpoint Price of 10.15 and ORDER#1 will be resting at 10.12, since the Midpoint Price is currently beyond its limit price.

Scenario #1: If the market moves back down from 10.14 x 10.16 to 10.11 x 10.13, ORDER#2 will be re-priced from 10.15, to the new Midpoint Price of 10.12, where ORDER#1 is already resting. ORDER#2 will receive a new timestamp and thus will be behind (newer timestamp) ORDER#1 in time priority at 10.12. In this scenario the relative time priority of these two orders has been preserved.

Note: In Scenario #1, had ORDER#2 been the older order, then that scenario reverses the relative time priority of these two orders.

Scenario #2: If instead the market moves from 10.14 x 10.16 to 10.10 x 10.13, both orders need to be re-priced to the new Midpoint Price of 10.115. ORDER#2 will be re-priced first, as it is currently ranked at a more aggressive price of 10.15, followed by ORDER#1. While both orders will receive new timestamps, since ORDER#1 will be re-priced second, it will behind (newer timestamp) ORDER#2 at the new price of 10.115. In this scenario the relative time priority of these two orders has been reversed.

Note: In Scenario #2, had ORDER#2 been the older order, then that scenario maintains the relative time priority of these two orders.

Please note that except in the rare instance of Limit Up-Limit Down Band Prices and IEX Order Collars requiring it, IEX will otherwise never re-price a displayed order already posted on the Order Book to a less aggressive price. Displayed orders and displayed portions of orders already posted are otherwise only ever re-priced to more aggressive prices, as allowed by the prevailing market and the limit price indicated by Users on those orders.

.02 Price Sliding of Displayed Orders Resting on the Order Book.

Orders displayed on the Exchange which were displayed at a price compliant with Regulation NMS are generally permitted to maintain their displayed price in the event an away trading center locks or crosses the price of the IEX displayed order. If such IEX displayed resting order is eligible to "re-sweep" under the Exchange's routing options, the System will route the order, in whole or in part, to any Protected Quotations that are locking or crossing the resting order's booked limit price for up to their full displayed size, if possible. Once the Protected Quotations have been cleared, any remaining shares will post at the order's limit price in accordance with IEX Rules and the Act.

When a reserve order refreshes its displayed portion, the refreshing shares are not permitted to be displayed at a price that locks or crosses the price of a protected quotation on an away market and are subject to display-price sliding pursuant to IEX Rule 11.190(h)(1).

Rule Series 11.200. ORDER GUIDELINES

Rule 11.210. Minimum Price Variant ("MPV")

(a) Bids, offers, orders or indications of interests in securities traded on the Exchange shall not be made in an increment smaller than:

(1) $0.01 if those bids, offers or indications of interests are priced equal to or greater than $1.00 per share; or

(2) $0.0001 if those bids, offers or indications of interests are priced less than $1.00 per share and the security is an NMS stock pursuant to Commission Rule 600(b)(46) and is trading on the Exchange; or

(3) Any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of Commission Rule 612(a) or 612(b).

Rule 11.220. Priority of Orders

(a) Determination of Rank.

(1) Orders resting in the Order Book shall be ranked and maintained based on the following priority:

(A) Price. Orders are ranked by the price at which they are resting on the Order Book ("Resting Price"). The best priced order (the highest priced resting order to buy or the lowest priced resting order to sell) shall have priority over all other orders to buy (or orders to sell) in all cases.

(B) Display. The System shall rank equally priced trading interest within the System by display. Displayed orders and displayed portions of orders will have precedence over non-displayed orders and non-displayed portions of orders at a given price.

(C) Time. The System shall rank equally priced trading interest with the same display within the System in time priority. Subject to the Execution Process described below, where orders to buy (or sell) are resting at the same price with the same display, the order clearly established as the oldest in the System at such particular price and display shall have precedence at that price and display, up to the number of shares of stock specified in the order. 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. Orders maintain their time priority once booked until one of the following occur, at which time the order will receive a new timestamp:

(i) Order is incremented by the User by means of a Cancel/Replace pursuant to IEX Rule 11.190(d).

(ii) Order is re-priced by the User by means of a Cancel/Replace pursuant to IEX Rule 11.190(d).

(iii) Minimum Quantity is amended by the User by means of a Cancel/Replace pursuant to IEX Rule 11.190(d).

(iv) Order is incremented by the System, or is returned to the Order Book by the System after routing or re-routing pursuant to IEX Rule 11.230(b)(1).

(v) The displayed portion of a reserve order is given a new timestamp when it is refreshed by the System after receiving an execution that decrements the displayed portion of a reserve order below one round lot pursuant to IEX Rule 11.190(b)(2).

(vi) Order is re-priced by the System pursuant to IEX Rule 11.190(h).

(vii) When a Displayed order is reduced to less than one round lot, it receives a new timestamp and is considered a non-displayed order.

(viii) Pursuant to IEX Rule 11.190(b)(10), when exercising price discretion, Discretionary Peg orders maintain time priority at their resting price, however they are prioritized behind any non-displayed interest at the discretionary price for the duration of that book processing action.

(2) Orders queued for the Opening Process shall be ranked and maintained based on the following priority:

(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) Decrementing Order Quantity and Priority. In the event that less than the full size of an order is executed, the unexecuted size of the order shall retain priority at the same resting price in accordance with paragraph (1) above, except when the order is displayed and the remaining unexecuted shares have been reduced from a round lot or mixed lot to an odd lot in accordance with paragraph (1)(C)(vii). In the event that an order is decremented by the User by means of a Cancel/Replace pursuant to IEX Rule 11.190(d) the order will not receive

a new timestamp except for Displayed orders or displayed portions of orders that are decremented from round lot or mixed lot to an odd lot in accordance with paragraph (1)(C)(vii) and routable orders queued for the Opening Process in accordance with paragraph (2)(A)(ii).

(4) Price Sliding and Priority. Due to the way in which the Exchange processes re-pricing, orders' relative time priority is generally preserved. The Exchange assigns time priority, specifically a resting order's time priority, as the time when it is posted to the Order Book at a particular price, and each time the System re-prices an order, it necessarily receives a new time priority (i.e. timestamp).

(5) Surrendering Precedence. In the event a resting order having precedence on the Order Book cannot be executed due to its specific conditions, the resting order surrenders its precedence in the Order Book only for the duration of the System processing the current active order. In the event a resting order having precedence on the Order Book cannot be executed due to the active order's specific conditions, that resting order does not surrender its precedence, and the active order stops executing for this book processing action.

(6) Order Book Action Priority.

(A) Order Book Actions are actions taken by the System on orders resting in the Order Book and include:

(i) Book Recheck invitations pursuant to IEX Rule 11.230(a)(4)(D).

(ii) Re-pricing of orders.

(iii) Refresh of displayed portions of reserve orders.

(B) Each time the System initiates a Book Action pursuant to IEX Rule 11.220(a)(5) on an order resting on the Order Book, it does so pursuant to the Order Book priority pursuant to IEX Rule 11.220(a)(1), with the timestamp of the order or the portion of the order upon which the action is taken being used to determine time priority, the display of the order or the portion of the order upon which the action is taken being used to determine display priority, and the order's Resting Price on the Order Book being used to determine price priority.

(7) Anti-Internalization. Pursuant to IEX Rule 11.190(e), Users may direct that orders entered into the System not execute against orders entered under the same AGID modifier. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.

(8) Incoming Messages.

(A) New Orders, Cancel and Cancel/Replace messages received from Users, market data messages, and System component generated messages are processed by the System in strict time sequence.

(b) Dissemination. The best-ranked displayable order(s) are disseminated pursuant to IEX Rule 11.240(c)(1).

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.01 Surrendering Precedence.

Scenario #1: In the event a resting order having precedence on the Order Book cannot be executed due to its specific conditions, the resting order surrenders its precedence in the Order Book only for the duration of the System processing the current active order.

For example, NBBO is $10.01 x $10.02.

IEX receives ORDER#1, a midpoint peg buy MQTY marked MinExec with Cancel Remaining for 1,000 shares with a minimum quantity size of 400 shares. ORDER#1 is booked and ranked at the Midpoint Price, $10.015.

IEX receives ORDER#2, a second midpoint peg buy order for 500 shares, which is also booked and ranked at the Midpoint Price behind ORDER#1.

IEX receives ORDER#3, a sell limit order for 300 shares with a limit price of $10.01. ORDER#1, the resting MQTY, surrenders precedence, because it cannot execute against the active order due to its minimum quantity condition. However, ORDER#3, the active sell limit order, executes 300 shares against next ranked order to buy, ORDER#2.

Scenario #2: In the event a resting order having precedence on the Order Book cannot be executed due to the active order's specific conditions, that resting order does not surrender its precedence, and the active order stops executing for this book processing action.

For example, NBBO is $10.01 x $10.02.

Resting on the Order Book are the following orders ranked in their respective order: (1) ORDER#1, buy limit order on the bid for 2,000 shares, (2) ORDER#2, buy limit order on the bid for 1,000 shares, and (3) ORDER#3, buy limit order on the bid for 2,000 shares.

IEX receives ORDER#4, an IEX Only marketable sell MQTY for 5,000 shares marked MinExec with AON Remaining with a minimum quantity size of 2,000 shares. ORDER#4 executes 2,000 shares against ORDER#1, but ORDER#2 does not meet the active order's condition (2,000 share minimum quantity size), so IEX posts the remaining 3,000 shares of ORDER#4 at the Midpoint Price.

Rule 11.230. Order Execution

Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this IEX Rule 11.230.

(a) Execution Against the IEX Order Book. For purposes of this IEX Rule 11.230 any order falling within the parameters of this paragraph shall be referred to as "executable." An order will be canceled back to the User if, based on market conditions, User instructions, applicable IEX Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to an away trading center pursuant to IEX Rule 11.230(b)(2) below and cannot be posted to the Order Book.

(1) Compliance with Rule 201 of Regulation SHO. For any execution of a short sale order to occur on the Exchange when a short sale price test restriction is in effect, the execution price must be higher than (i.e., above) the NBB, unless the sell order was initially displayed by the System at a price above the then current NBB or is marked "short exempt" pursuant to Regulation SHO. Short sale orders are subject to the short sale price sliding process pursuant to IEX Rule 11.190(h)(4), as well as any other applicable price sliding process.

(2) Compliance with Regulation NMS and Trade-Through Protection.

(A) Regular Market Session. For any execution to occur during the Regular Market Session, the price must be equal to or better than the Protected NBBO, unless the order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS.

(B) Pre-Market Session and Post-Market Session. For any execution to occur during the Pre-Market Session or Post-Market Session, the price must be equal to or better than the highest Protected Bid or lowest Protected Offer, unless the order is marked ISO or a Protected Bid is crossing a Protected Offer.

(C) Crossed Markets. Notwithstanding sub-paragraphs (A) and (B) above, in the event that a Protected Bid is crossing a Protected Offer, whether during or outside of the Regular Market Session, unless an order is marked ISO, the Exchange will enforce the Crossed Market Collar pursuant to IEX Rule 11.190(f)(3) and the price sliding process pursuant to IEX Rule 11.190(h)(3).

(3) Compliance with Limit Up-Limit Down. For any executions to occur during the Regular Market Session, such executions must comply with the Plan, as set forth in IEX Rule 11.280(e) and the price sliding process pursuant to IEX Rule 11.190(h)(5).

(4) Execution against the IEX Book. An incoming order will first attempt to be matched for execution against orders in the IEX Book, as described below.

(A) Buy Orders. An incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds the resting price of any order to sell in the Order Book and is executable, as defined above. Such order to buy shall be executed at the price(s) of the lowest priced order(s) to sell having priority in the Order Book.

(B) Sell Orders. 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 the resting price of any other order to buy in the Order Book and is executable, as defined above. Such order to sell shall be executed at the price(s) of the highest priced order(s) to buy having priority in the Order Book.

(C) Consistent with Rule 11.190, orders are permitted to post non-displayed and rest non-displayed on the Order Book at prices that lock contra-side liquidity at the Midpoint Price, provided, however, that the System will never display a locked market. Subject to sub-paragraph (A) or (B) above, if an incoming order would execute at the Midpoint Price, resting liquidity that is otherwise locking the Midpoint Price may execute against the incoming order if the resting order(s)' conditions are met. Lastly, orders are never permitted to post non-displayed nor rest non-displayed on the Order Book at prices that cross contra-side liquidity.

(D) Order Execution Recheck ("Book Recheck" or "Recheck"). Upon a change to the Order Book, the NBBO, or as part of the processing of inbound messages, the System may invite orders on one or both sides of its market to become active and check against the contra side (i.e. become the remover of liquidity) of the Order Book to determine if new executions can occur as a consequence of the change in the Order Book or prevailing market conditions. Orders resting on the Order Book may be eligible to trade against other orders on the Order Book that were ineligible for execution, or did not satisfy the order's conditions (i.e. minimum quantity) when they were originally booked.

(i) Resting orders are invited to Recheck according to the resting priority of each order.

(ii) To be eligible for Book Recheck, orders must be able to execute at a price equal to or more aggressive than the Midpoint Price. Orders invited to Recheck will be eligible to trade at their full limit price, adjusted by applicable peg instructions, market conditions and all applicable rules and regulations.

(iii) Additionally, for Discretionary Peg orders to be eligible for Book Recheck, the System must consider the quote to be stable for the order in question pursuant to IEX Rule 11.190(b)(10).

(iv) Primary peg orders are not eligible for Book Recheck.

(v) Displayed orders are not eligible for Book Recheck.

(vi) No orders are eligible for Book Recheck during a crossed market.

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.01 Book Recheck.

Book Recheck invites resting orders to become active orders and recheck the Order Book for execution opportunities.

For example, NBBO is $10.01 x $10.02.

IEX receives ORDER#1, a non-routable, non-displayed buy MQTY marked Composite for 7,500 shares with a limit price of $10.02 and minimum quantity size of 5,000 shares. ORDER#1 is booked and ranked at the Midpoint Price, $10.015.

ORDER#2, a non-routable sell order for 3,000 shares joins the offer at $10.02 (3,000 does not satisfy the ORDER#1's 5,000 minimum quantity size).

ORDER#3, a second non-routable sell order for 2,000 shares joins the offer at $10.02.

Since the 5,000 cumulative shares resting on the offer satisfy the ORDER#1's 5,000 minimum quantity, ORDER#1 is invited to Recheck the Order Book. Two executions for a cumulative 5,000 shares occur: the first execution for 3,000 shares at $10.02, against ORDER#2, and the second execution for 2,000 shares at $10.02, against ORDER#3. ORDER#1 is decremented to a quantity of 2,500 shares from 7,500.

(b) Routing to Away Trading Centers. The Exchange will maintain connectivity and access to all away trading centers offering a Protected Quotation as defined by Regulation NMS Rule 600(b)(58). Depending on its TIF instruction and whether or not it was marked as routable by the User, if a market order or marketable limit order has not been executed in its entirety pursuant to paragraph (a) above, the order shall be eligible for additional processing under one or more of the routing options listed in paragraph (c) below.

(1) Orders Eligible for Routing. A sell order marked "short" is not eligible to route aggressively to take during a Short Sale Period, but can route passively to rest on away trading centers (i.e. Route to Rest). If a sell order marked "short" is ineligible for routing during a Short Sale Period and such order is an IOC or a market order, then the order will be canceled. If a sell order marked "short" is ineligible for routing during a Short Sale Period and such order is not an IOC or market order, the Exchange will post the unfilled balance of the order to the Order Book, subject to the short sale price sliding process as defined in paragraph (h)(4) of IEX Rule 11.190), as well as any other applicable price sliding process. Sell orders marked long or short exempt pursuant to IEX Rule 11.290 are not subject to this paragraph.

(2) Routing Process. With respect to an order that is eligible for routing and an accessible Protected Quotation exists, the System will designate outbound orders as IOCs and will cause such orders to be routed to one or more away trading centers (as defined in IEX Rule 2.220) displaying such Protected Quotations for potential execution in compliance with Rule 611 under Regulation NMS. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, or in cases where there are no accessible Protected Quotations at the time of routing, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either:

(A) Cancel the unfilled balance of the order back to the User;

(B) Post the unfilled balance of the order to the IEX Order Book, subject to the price sliding process as defined in paragraph (h) of IEX Rule 11.190;

(C) Repeat the process described in paragraph (a) above and this paragraph (b)(2) by executing against the IEX Order Book and/or routing orders to away trading centers until the original, incoming order is executed in its entirety or it is no longer marketable. If the order is not executed in its entirety, the System will cancel back to the User (in the case of an IOC or market order) or post to the IEX Order Book and/or at an away trading center, as described in paragraph (c) below, the unfilled balance of the order;

(D) Notwithstanding the foregoing, to the extent the System is unable to access a Protected Quotation at the NBBO and there are no other accessible Protected Quotations at the NBBO, the System will post the order or any remaining unexecuted shares on the Order Book, subject to the price sliding process, or cancel, as per User instruction, provided, however, that this provision will not apply to Protected Quotations published by an away trading center against which the Exchange has declared self-help pursuant to paragraph (d) below. To the extent the unfilled balance of an order has been posted to the

Order Book, should the booked limit price of the order subsequently be locked or crossed by an accessible away trading center, the System shall route the order, in part or in full, to such locking or crossing away trading center if instructed to do so by the User (the "re-sweep" behavior described in paragraph (c)(5) below).

(3) Priority of Routed Orders. Orders sent by the System to away trading centers do not retain time priority with respect to other orders in the System and the System shall continue to execute other orders while routed orders are at away trading centers. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to an away trading center and remains outside the System shall be processed, subject to the applicable trading rules of such away trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new timestamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the IEX Order Book in accordance with the terms of such order under IEX Rule 11.220 and such order shall be eligible for execution under this IEX Rule 11.230.

(c) Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and parameters, with the exception of order types and parameters whose terms are inconsistent with the terms of a particular routing option as described in IEX Rule 11.190. An order eligible for routing must have a TIF of DAY, SYS, GTX, GTT, or IOC. The System will consider the quotations only of accessible markets, in particular those not subject to self-help pursuant to IEX Rule 11.230(d). The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(1) Route to Take (a.k.a. "SweepPost"). After a Route to Take order trades with all available interest on the Order Book priced at or better than the NBBO, this routing option routes the remaining unexecuted shares as IOC orders to destinations based on the System routing table. If shares remain unexecuted after routing, they are posted on the Order Book or canceled, as per User instruction.

(2) Route to Take with Re-sweep (a.k.a. "Router"). Route to Take with Re-sweep is functionally identical to Route to Take, with the exception that once posted after routing, the unexecuted portion of such an order is eligible for the re-sweep behavior described in paragraph (5), market conditions permitting.

(A) When an order is marked with a TIF of IOC, the Route to Take with Re-sweep order will function as a Route to Take order, i.e. there is no opportunity for a "re-sweep" from resting.

(3) Route to Rest (a.k.a. "SweepPost+"). After a Route to Rest order trades with all available interest on the Order Book priced at or better than the NBBO, this routing option routes the remaining shares as IOC orders to destinations based on the System routing table. If shares remain unexecuted after routing, all or a portion of remaining shares are posted on one or more destinations based on the System routing table, which may include the Order Book, or are canceled, as per User instruction. Resting at away trading centers behavior is described in paragraph (6) below.

(A) When an order is marked with a TIF of IOC, the Route to Rest order will function as a Route to Take order, i.e. there is no opportunity to rest.

(4) Route to Rest with Re-sweep (a.k.a. "Router+"). Route to Rest with Re-sweep is functionally identical to Route to Rest, with the exception that once posted after routing, the unexecuted portion of such an order is eligible for the re-sweep behavior described in paragraph (5), market conditions permitting.

(A) When an order is marked with a TIF of IOC, the Route to Rest with Re-sweep order will function as a Route to Take order, i.e. there is no opportunity to rest, or for a "re-sweep" from resting.

(5) Re-sweep Behavior. Re-Sweep is a feature available to certain routing strategies as described in this IEX Rule that allows for a resting order to route to Protected Quotations when the resting order's limit price has been locked or crossed by the NBBO, IEX Rule permitting.

(A) Re-sweep when Order's Limit is Locked by NBBO. If a resting order eligible for re-sweep has its booked limit price locked by the NBO (for buy orders) or NBB (for sell orders) for a minimum amount of time between 750 milliseconds and one (1) second, the System will route to the Protected Quotations at the locking NBO or NBB their full displayed size (or the remaining unexecuted shares on the order, if smaller). In the case that such resting order is a reserve order, the System will decrement first from the non-displayed portion, and then from the displayed portion. Any shares unexecuted will be returned to the Order Book, either incrementing the resting order, or re-posting the order to the Order Book, receiving a new timestamp as per Rule 11.220(a). This cycle may be repeated, the order being re-routed to away trading centers multiple times, until the order is fully executed or canceled, subject to the limit price of the order.

(B) Re-sweep when Order's Limit is Crossed by NBBO. If a resting order eligible for re-sweep has its booked limit price crossed by the NBO (for buy orders) or NBB (for sell orders), i.e. the NBO becomes lower than the limit price of a buy order, or the NBB becomes higher than the limit price of a sell order, for a minimum amount of time between 750 milliseconds and one (1) second, the System will route the entire order to away trading centers as per this IEX Rule 11.230. Any shares unexecuted will be re-posted to the Order Book, receiving a new timestamp as per Rule 11.220(a). This cycle may be repeated, the order being re-routed to away trading centers multiple times, until the order is fully executed or canceled, subject to the limit price of the order.

(6) Route to Rest Behavior. If an order marked Route to Rest (with or without re-sweep) either has unexecuted shares remaining after routing or there were no accessible Protected Quotations at the time of routing, and the order parameters permit, the System will route the displayed portion as limit orders marked with a TIF of DAY to one or more destinations based on the System routing table, which may include the Order Book.

(A) The total shares displayed on the Exchange and any away trading center will not exceed the maximum displayed size indicated by the User on the order received by the Exchange. The non-displayed portion of reserve orders will rest on the IEX Order Book.

(B) When dividing the display quantity indicated by the User at order entry between destinations, the System will not create multiple odd lots or mixed lots. In the event that division by the number of destinations to be used would create an order size not evenly divisible by one round lot, the System will instead create round lot orders of unequal size as necessary, with the Exchange always receiving the larger displayed portion.

(C) When displayed shares posted on an away trading center are fully executed, the System will refresh such displayed shares by decrementing the order on the Exchange, first from the non-displayed portion (if the order is a reserve order), and then from displayed portion on the Exchange. When all shares on the away trading center are fully executed, the Exchange may remove all unexecuted shares from the Exchange and rest a displayed order on the away trading center. When all shares on the Exchange are fully executed, any shares remaining on an away trading center will be canceled from the away trading center and displayed on the Exchange.

(D) IEX will never post non-displayed interest on away trading centers, although depending on each away trading center's handling of orders decremented through execution to less than one round lot, a portion resting away may become non-displayed.

(d) Self-Help. The Exchange shall take advantage of the self-help provisions of Regulation NMS. Pursuant to the self-help provisions, the System may execute a transaction that would constitute a trade-through of a Protected Quotation displayed on an away trading center if such away trading center is experiencing a failure, material delay, or malfunction of its systems or equipment. If an away trading center publishing a Protected Quotation repeatedly fails to respond within one second to orders sent by the System to access such away trading center's Protected Quotation, the System may disregard those Protected Quotations when routing, displaying, canceling or executing orders on the Exchange. When invoking self-help, the Exchange will:

(1) Notify the non-responding away trading center immediately after (or at the same time as) electing self-help; and

(2) Assess whether the cause of the problem lies with the System and, if so, taking immediate steps to resolve the problem instead of invoking self-help.

(e) Market Access. In addition to the IEX Rules regarding routing to away trading centers, IEX Services, as defined in IEX Rule 2.220, has, pursuant to Rule 15c3-5 under the Act, implemented certain checks designed to mitigate risks associated with providing the Exchange's Users with access to such away trading centers. Pursuant to the policies and procedures developed by IEX Services to comply with Exchange Act Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Exchange Act Rule 15c3-5), IEX Services will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

Rule 11.231. Regular Market Session Opening Process

(a) 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).

(b) 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) Queued Order Opening Process. At the commencement of th e 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) 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 for the Regular Market Session Opening Process or otherwise. If the halt, suspension, or pause remains in effect at the time of the Regular Market Session Opening Process, the Opening Process will not occur at the normally scheduled time. Once the security resumes trading, the Exchange will conduct the Regular Market Session Opening

Process for any orders in the queue, then accept and execute orders as usual in accordance with prevailing market session rules.

Rule 11.240. Trade Execution, Reporting, and Dissemination of Quotations

(a) Executions occurring as a result of orders matched against the IEX Order Book shall be reported by the Exchange to an appropriate consolidated transaction reporting system to the extent required by the Act and the rules and regulations thereunder. Executions occurring as a result of orders routed away from the System shall be reported to an appropriate consolidated transaction reporting system by the relevant reporting away trading center. The Exchange shall promptly notify Users of all executions of their orders as soon as such executions take place.

(b) The Exchange shall identify all trades executed pursuant to an exception or exemption from Rule 611 of Regulation NMS in accordance with specifications approved by the operating committee of the relevant national market system plan for an NMS stock. If a trade is executed pursuant to both the inter-market sweep order exception of Rule 611(b)(5) of Regulation NMS and the self-help exception of Rule 611(b)(1) of Regulation NMS, such trade shall be identified as executed pursuant to the inter-market sweep order exception.

(c) Display of Automated Quotations. The System will be operat ed as an "automated market center" within the meaning of Regulation NMS, and in furtherance thereof, will display "automated quotations" within the meaning of Regulation NMS at all times except in the event that a systems malfunction renders the System incapable of displaying automated quotations.

(1) Dissemination. The aggregate of the best-ranked order(s), pursuant to IEX Rule 11.220, to buy and the best-ranked order(s) to sell that are displayable in the Order Book shall be collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 of Regulation NMS.

Rule 11.250. Clearance and Settlement; Anonymity

(a) Each User must either (1) be a member of a registered clearing agency that uses a continuous net settlement ("CNS") system, or (2) clear transactions executed on the Exchange through another User that is a member of such a registered clearing agency. If a Member clears transactions through another Member that is a member of a registered clearing agency ("clearing member"), such clearing member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee or other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed by the Member designating it as its clearing firm. The rules of any such clearing agency shall govern with respect to the clearance and settlement of any transactions executed by the Member on the Exchange.

(1) Solely at the discretion of the Exchange, a Member may clear transactions executed on the Exchange through a non-Member that is a Member of a foreign clearing agency with which a registered clearing agency has an agreement of mutual recognition, and is permitted to clear transactions of the Member in the registered clearing agency's CNS system.

(b) Each transaction executed within the System is executed on a locked-in basis and shall be automatically processed for clearance and settlement.

(c) The transaction reports produced by the System will indicate the details of transactions executed in the System but shall not reveal contra party identities. Except as set forth in paragraph (d) below, transactions executed in the System will also be cleared and settled anonymously.

(d) Except as required by any registered clearing agency, the Exchange will reveal the identity of a Member or Member's clearing firm in the following circumstances:

(1) For regulatory purposes or to comply with an order of a court or arbitrator; or

(2) When a registered clearing agency ceases to act for a Member or the Member's clearing firm, and determines not to guarantee the settlement of the Member's trades.

Rule 11.260. LIMITATION OF LIABILITY

(a) NEITHER THE EXCHANGE NOR ITS AGENTS, EMPLOYEES, CONTRACTORS, OFFICERS, DIRECTORS, SHAREHOLDERS, COMMITTEE MEMBERS OR AFFILIATES ("EXCHANGE RELATED PERSONS") SHALL BE LIABLE TO ANY USER, OR SUCCESSORS, REPRESENTATIVES OR CUSTOMERS THEREOF, OR ANY PERSONS ASSOCIATED THEREWITH, FOR ANY LOSS, DAMAGES, CLAIM OR EXPENSE:

(1) GROWING OUT OF THE USE OR ENJOYMENT OF ANY FACILITY OF THE EXCHANGE, INCLUDING, WITHOUT LIMITATION, THE SYSTEM; OR

(2) ARISING FROM OR OCCASIONED BY ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF OR FROM THE COLLECTION, CALCULATION, COMPILATION, MAINTENANCE, REPORTING OR DISSEMINATION OF ANY INFORMATION DERIVED FROM THE SYSTEM OR ANY OTHER FACILITY OF THE EXCHANGE, RESULTING EITHER FROM ANY ACT OR OMISSION BY THE EXCHANGE OR ANY EXCHANGE RELATED PERSON, OR FROM ANY ACT CONDITION OR CAUSE BEYOND THE REASONABLE CONTROL OF THE EXCHANGE OR ANY EXCHANGE RELATED PERSON, INCLUDING, BUT NOT LIMITED TO, FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACTS OF GOD, FIRE, WAR, TERRORISM, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS OR POWER FAILURE, OR EQUIPMENT OR SOFTWARE MALFUNCTION.

(b) EACH MEMBER EXPRESSLY AGREES, IN CONSIDERATION OF THE ISSUANCE OF ITS MEMBERSHIP IN THE EXCHANGE, TO RELEASE AND DISCHARGE THE EXCHANGE AND ALL EXCHANGE RELATED PERSONS OF AND FROM ALL CLAIMS AND DAMAGES ARISING FROM THEIR ACCEPTANCE AND USE OF THE FACILITIES OF THE EXCHANGE (INCLUDING, WITHOUT LIMITATION, THE SYSTEM).

(c) NEITHER THE EXCHANGE NOR ANY EXCHANGE RELATED PERSON MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS TO USERS AS TO RESULTS THAT ANY PERSON OR PARTY MAY OBTAIN FROM THE SYSTEM FOR TRADING OR FOR ANY OTHER PURPOSE, AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, TITLE, AND NON-INFRINGEMENT WITH RESPECT TO THE SYSTEM ARE HEREBY DISCLAIMED.

(d) NOTWITHSTANDING PARAGRAPH (a) ABOVE, AND SUBJECT TO THE EXPRESS LIMITS SET FORTH BELOW, THE EXCHANGE MAY COMPENSATE MEMBERS FOR LOSSES DIRECTLY RESULTING FROM THE SYSTEMS' ACTUAL FAILURE TO CORRECTLY PROCESS AN ORDER, MESSAGE, OR OTHER DATA, PROVIDED THE EXCHANGE HAS ACKNOWLEGED RECEIPT OF THE ORDER, MESSAGE OR DATA.

(1) AS TO ANY ONE OR MORE CLAIMS MADE BY A SINGLE MEMBER UNDER THIS IEX RULE ON A SINGLE TRADING DAY, THE EXCHANGE SHALL NOT BE LIABLE IN EXCESS OF THE LARGER OF $100,000, OR THE AMOUNT OF ANY RECOVERY OBTAINED BY THE EXCHANGE UNDER ANY APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(2) AS TO THE AGGREGATE OF ALL CLAIMS MADE BY ALL MEMBERS UNDER THIS IEX RULE ON A SINGLE TRADING DAY, THE EXCHANGE SHALL NOT BE LIABLE IN EXCESS OF THE LARGER OF $250,000 OR THE AMOUNT OF ANY RECOVERY OBTAINED BY THE EXCHANGE UNDER ANY APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(3) AS TO THE AGGREGATE OF ALL CLAIMS MADE BY ALL MEMBERS UNDER THIS IEX RULE DURING A SINGLE CALENDAR MONTH, THE EXCHANGE SHALL NOT BE LIABLE IN EXCESS OF THE LARGER OF $500,000, OR THE AMOUNT OF ANY RECOVERY OBTAINED BY THE EXCHANGE UNDER ANY APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(e) IN THE EVENT THAT ALL OF THE CLAIMS MADE UNDER THIS IEX RULE CANNOT BE FULLY SATISFIED BECAUSE IN THE AGGREGATE THEY EXCEED THE APPLICABLE MAXIMUM LIMITATIONS PROVIDED IN THIS IEX RULE 11.260, THEN THE MAXIMUM PERMITTED AMOUNT WILL BE PROPORTIONALLY ALLOCATED AMONG ALL SUCH CLAIMS ARISING ON A SINGLE TRADING DAY OR DURING A SINGLE CALENDAR MONTH, AS APPLICABLE, BASED ON THE PROPORTION THAT EACH SUCH CLAIM BEARS TO THE SUM OF ALL SUCH CLAIMS.

(f) ALL CLAIMS FOR COMPENSATION PURSUANT TO THIS IEX RULE SHALL BE IN WRITING AND MUST BE SUBMITTED NO LATER THAN THE OPENING OF TRADING ON THE NEXT BUSINESS DAY FOLLOWING THE DAY ON WHICH THE USE OF THE EXCHANGE GAVE RISE TO SUCH CLAIMS. ONCE IN RECEIPT OF A CLAIM, THE EXCHANGE WILL VERIFY THAT: (i) A VALID ORDER WAS ACCEPTED INTO THE EXCHANGE'S SYSTEMS; AND (ii) AN EXCHANGE SYSTEM FAILURE OR A NEGLIGENT ACT OR OMISSION OF AN EXCHANGE EMPLOYEE OCCURRED DURING THE EXECUTION OR HANDLING OF THAT ORDER.

Rule 11.270. Clearly Erroneous Executions

(a) Definition. For purposes of this IEX Rule 11.270, the terms of a transaction executed on the Exchange are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and canceled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape.

(b) Request and Timing of Review. A Member that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this IEX Rule 11.270. An Officer of the Exchange or such other employee designee of the Exchange ("Official") shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review shall be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members.

(1) Requests for Review. Requests for review must be received by the Exchange within thirty (30) minutes of execution time and shall include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the numerical guidelines set forth in paragraph (c)(1) of this IEX Rule 11.270, the counterparty to the trade, if any, shall be notified by the Exchange as soon as practicable, but generally within thirty (30) minutes. An Official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide any supporting written information as may be reasonably requested by the Official to aid resolution of the matter within thirty (30) minutes of the Official's request. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(2) Routed Executions. Away trading centers will generally have an additional thirty (30) minutes from receipt of their participant's timely filing, but no longer than sixty (60) minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that away trading center and executed on the Exchange.

(c) Thresholds. Determinations of whether an execution is clearly erroneous will be made as follows:

(1) Numerical Guidelines. Subject to the provisions of paragraph (c)(3) below, a transaction executed during the Regular Market Session or during the Pre-Market or Post-Market Session shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The execution time of the transaction under review determines whether the threshold is the Regular Market Session or during the Pre-Market or Post-Market Sessions (which occur before and after the Regular Market Session). The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in paragraph (c)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

Reference Price, Circumstance or Product	Regular Market Hours Numerical Guidelines (Subject transaction's % difference from the Reference Price)	Pre-Market and Post-Market Session Numerical Guidelines (Subject transaction's % difference from the Reference Price)
Greater than $0.00 up to and including $25.00	10%	20%
Greater than $25.00 up to and including $50.00	5%	10%
Greater than $50.00	3%	6%
Multi-Stock Event – Filings involving five or more, but less than twenty, securities whose executions occurred within a period of five minutes or less	10%	10%
Multi-Stock Event – Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2) below	30%, subject to the terms of paragraph (c)(2) below
Leveraged ETF/ETN	Regular Market Hours	Regular Market Hours

(2) Multi-Stock Events Involving Twenty or More Securities. During Multi- Stock Events involving twenty or more securities the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent application across trading centers when this paragraph is invoked, the Exchange will promptly coordinate with the away trading centers

to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(3) Additional Factors. Except in the context of a Multi-Stock Event involving five or more securities, an Official may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an initial public offering, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Pre-Market Session or Post-Market Session executions, validity of the consolidated tapes trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(d) Outlier Transactions. In the case of an Outlier Transaction, an Official may, in his or her sole discretion, and on a case-by-case basis, consider requests received pursuant to paragraph (b) of this IEX Rule 11.270 after thirty (30) minutes, but not longer than sixty (60) minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(1) An "Outlier Transaction" means a transaction where the execution price of the security is greater than three times the current Numerical Guidelines set forth in paragraph (c)(1) of this IEX Rule 11.270.

(2) If the execution price of the security in question is not within the Outlier Transaction parameters set forth in paragraph (d)(1) of this IEX Rule but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in paragraph (c)(3), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(e) Review Procedures.

(1) Determination by Official. Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute shall be reviewed, and a determination shall be rendered by the Official. If the Official determines that the transaction is not clearly erroneous, the Official shall decline to take any action in connection with the completed trade. In the event that the Official determines that the transaction in dispute is clearly erroneous, the Official shall declare the transaction null and void. A determination shall be made generally within thirty (30) minutes of receipt of the complaint, but in no case later than the start of the Regular Market Session on the following day. The parties shall be promptly notified of the determination.

(2) Appeals. If a Member affected by a determination made under this IEX Rule 11.270 so requests within the time permitted below, the Clearly Erroneous Execution Panel ("CEE Panel") will review decisions made by the Official under this IEX Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an Officer under paragraph (f) of this IEX Rule 11.270 if such Officer also determines under paragraph (d) of this IEX Rule that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made by the Exchange in conjunction with one or more away trading centers, the number of affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non- appealable.

(A) The CEE Panel will be comprised of the CRO, or a designee of the CRO, and representatives from two (2) Members.

(B) The Exchange shall designate at least ten (10) representatives of Members to be called upon to serve on the CEE Panel as needed. In no case shall a CEE Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

(C) A request for review on appeal must be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 p.m. Eastern Time and the close of trading in the Post-Market Session, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(D) The CEE Panel may overturn or modify an action taken by the Official under this IEX Rule 11.270. All determinations by the CEE Panel shall constitute final action by the Exchange on the matter at issue.

(E) If the CEE Panel votes to uphold the decision made pursuant to paragraph (e)(1) above, the Exchange will assess a $500.00 fee against the Member(s) who initiated the request for appeal. In addition, in instances where the Exchange, on behalf of a Member, requests a determination by an away trading center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.

(F) Any determination by an Officer or by the CEE Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) System Disruption or Malfunctions. In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Exchange in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, an Officer of the Exchange or other senior level employee designee, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of paragraph (c)(1)-(3) of this IEX Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee pursuant to this paragraph (f) shall be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or senior level employee designee must be taken by no later than the start of Regular Market Hours on the trading day following the date of execution(s) under review. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(g) Officer Acting on Own Motion. An Officer of the Exchange or senior level employee designee, acting on his or her own motion, may review potentially erroneous executions and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of paragraph (c)(1) through (3) of this IEX Rule. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee

designee must be taken by no later than the start of Regular Market Hours on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(h) Securities Subject to Limit Up-Limit Down Plan. For purpos es of this paragraph, the phrase "Limit Up-Limit Down Plan" or "Plan" shall mean the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. The provisions of paragraphs (a) through (g) above and (i) through (j) below shall govern all Exchange transactions, including transactions in securities subject to the Plan, other than as set forth in this paragraph (h). If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, an Officer of the Exchange or senior level employee designee, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Market Hours on the trading day following the date on which the execution(s) under review occurred. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, the Exchange will make the determination of whether to nullify transactions based on paragraphs (a) through (g) above and (i) through (j) below.

(i) Multi-Day Event. A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the "Event"). An Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer of the Exchange or senior level employee designee shall take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more away trading centers, the Exchange will promptly coordinate with such away trading center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this IEX Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(j) Trading Halts. In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, an away trading center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion,

generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Regular Market Hours on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this IEX Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

Rule 11.271. Trading Halts

(a) The Exchange does not accept any orders in a security subject to a trading halt at the time of a trading halt. Any order submitted during a halt will be rejected by the System.

(b) Any orders resting on the Order Book at the time of a trading halt will not be canceled by the System. All orders resting on the Order Book in a security subject to a trading halt at the time of a trading halt will be unavailable for trading or re-sweep during the trading halt, but will be available for cancelation by the submitting User.

(c) During a trading halt, all quotes disseminated by the Exchange for such security will be set to zero.

Rule 11.280. Trading Halts Due to Extraordinary Market Volatility

(a) This IEX Rule shall be in effect during a pilot period to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility. If the pilot is not either extended or approved permanently at the end of the pilot period, the Exchange will amend this IEX Rule. The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this IEX Rule 11.280 if there is a Level 1, 2, or 3 Market Decline.

(1) For purposes of this IEX Rule 11.280, a Market Decline means a decline in price of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500® Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A "Level 1 Market Decline" means a Market Decline of 7%.

(3) A "Level 2 Market Decline" means a Market Decline of 13%.

(4) A "Level 3 Market Decline" means a Market Decline of 20%.

(b) Halts in Trading.

(1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. Eastern Time and up to and including 3:25 p.m. Eastern Time, or in the case of an early scheduled close, 12:25 p.m. Eastern Time, the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m. Eastern Time, or in the case of an early scheduled close, 12:25 p.m. Eastern Time.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks until the primary listing market opens the next trading day.

(c) If a primary listing market halts trading in all stocks, the Exchange will halt trading in all stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this IEX Rule 11.280 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other IEX Rule or policy.

(e) Limit Up-Limit Down Mechanism.

(1) Definitions.

(A) The term "Plan" or "Limit Up-Limit Down Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act, as amended from time to time.

(B) All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or IEX Rules, as applicable.

(2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) Member Compliance. Members shall comply with the applicable provisions of the Plan.

(4) Exchange Compliance with the Plan. The System shall not rank, display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) Re-pricing and Cancellation of Interest. The System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders.

(A) Market Orders, FOK Orders and IOC Orders. The System will only execute market orders, FOK orders, or IOC orders at or within the Price Bands. If a market order, FOK order, or IOC order cannot be fully executed at or within the Price Bands, the System shall cancel any unexecuted portion of the order without posting such order to the Exchange's Order Book.

(B) Limit-priced Interest. Both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of displayed and re-priced interest is at or within the Price Band, the System shall re-price such displayed limit interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest re-priced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

(C) Pegged Interest. Pegged interest to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher).

(D) Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to IEX Rule 11.230 at a price no more aggressive than the Lower Band Price (for sell orders) or Upper Band Price (for buy orders).

(E) Sell Short Orders. During a Short Sale Price Test, as defined in IEX Rule 11.290(b), Short Sale Orders priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Display Price or Permitted Non-display Book Price, as applicable, as defined in IEX Rule 11.190(h)(4)(A).

(f) All times referenced in this IEX Rule 11.280 are Eastern Time.

Rule 11.290. Short Sales

Marking. All sell orders entered into the Exchange must be marked long, short, or short exempt.

(a) Definitions. For purposes of this IEX Rule, the terms "covered security," "listing market," and "national best bid" shall have the same meaning as in Rule 201 of Regulation SHO.

(b) Short Sale Price Test. The System shall not execute, route to an away trading center, or display a short sale order not marked short exempt with respect to a covered security at a price that is less than or equal to the current national best bid if the price of that security decreases by 10% or more, as determined by the listing market for the covered security, from the covered security's closing price on the listing market as of the end of the Regular Market Session on the prior day.

(c) Reserved

(d) Duration of Short Sale Price Test. If the Short Sale Price Test is triggered by the listing market with respect to a covered security, the Short Sale Price Test shall remain in effect on the Exchange until the close of the Post-Market Session on the next trading day, as provided for in Regulation SHO Rule 201(b)(1)(ii) (the "Short Sale Period").

(1) If the Exchange determines pursuant to IEX Rule 11.270 that the Short Sale Price Test for a covered security was triggered because of a clearly erroneous execution on the Exchange, the Exchange will notify the listing market of the Exchange's determination that the triggering transaction was a clearly erroneous execution as soon as practicable following such determination.

Rule Series 11.300. SYSTEM GUIDELINES

Rule 11.310. Locking or Crossing Quotations in NMS Stocks:

(a) Definitions. For purposes of this IEX Rule 11.310, the following definitions shall apply:

(1) The terms automated quotation, effective national market system plan, inter-market sweep order, manual quotation, NMS stock, protected quotation, the Regular Market Session, and trading center shall have the meanings set forth in Rule 600(b) of Regulation NMS.

(2) The term crossing quotation shall mean the display of a bid for an NMS stock during the Regular Market Session at a price that is higher than the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock during the Regular Market Session at a price that is lower than the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(3) The term locking quotation shall mean the display of a bid for an NMS stock during the Regular Market Session at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock during the Regular Market Session at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(b) Prohibition. Except for quotations that fall within the provisions of paragraph (c) of this IEX Rule, the System shall not make available for dissemination, and Users shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a protected quotation previously disseminated pursuant to an effective national market system plan.

(c) Exceptions.

(1) The locking or crossing quotation was displayed at a time when the trading center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.

(2) The locking or crossing quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.

Rule 11.320. Input of Accurate Information

(a) Members of the Exchange shall input accurate information into the System, including, but not limited to, whether the Member acted in a Principal, Agent, or Riskless Principal capacity for each order entered.

Rule 11.330. Data Products

(a) The Exchange offers the following data products free of charge, except as otherwise noted in the Exchange's fee schedule:

(1) TOPS. TOPS is an uncompressed data feed that provides the aggregate of displayed shares at the best price buy and sell order in each security based on orders resting on the IEX Order Book.

(2) LAST. LAST is an uncompressed data feed that offers only execution information based on equity orders entered into the System (i.e. last sale information).

Rule 11.340. Reserved.

Rule 11.350. Reserved.

Rule 11.360. Reserved.

Rule 11.370. Reserved.

Rule 11.380. Risk Management

(a) Aggregate Risk Controls ("ARC") for Clearing Firms.

(1) ARCs are elected, and the upper value of any limits is set by the clearing firm of a Member.

(2) IEX ARC can be configured to accumulate for a broker correspondent across MPIDs, by MPID, by FIX session, or in combination, per clearing firm relationship.

(3) Gross Notional Exposure ("GNE"). IEX ARC for Gross Notional Exposure (GNE) accumulates the notional value of matched and routed trades for a clearing firm's broker correspondent, and will automatically reject new orders and cancel all open orders when GNE has exceeded a pre-determined limit.

(A) GNE is calculated as the absolute sum of the notional value of all buy and sell trades: equal to the value of executed buys plus the absolute value of executed long sells plus the absolute value of executed short sells. There is no netting of buys and sales in the same symbol or across symbols. GNE resets for each new trading day.

Rule 11.390. Reserved.

Rule Series 11.400. MARKET DATA FEEDS

Rule 11.410. Use of Market Data Feeds and Calculations of Necessary Price Reference Points

(a) Market Data Sources.

Away Trading Center	Primary Source Quotes	Secondary Source Quotes	Source Trades & Admin
BATS Exchange (BATS)	Direct Feed	CQS/UQDF	CTS/UTDF
BATS Y-Exchange (BATY)	Direct Feed	CQS/UQDF	CTS/UTDF
Chicago Stock Exchange (XCHI)	Direct Feed	CQS/UQDF	CTS/UTDF
EDGA Exchange (EDGA)	Direct Feed	CQS/UQDF	CTS/UTDF
EDGX Exchange (EDGX)	Direct Feed	CQS/UQDF	CTS/UTDF
NASDAQ BX (XBOS)	Direct Feed	CQS/UQDF	CTS/UTDF
NASDAQ PSX (XPHL)	Direct Feed	CQS/UQDF	CTS/UTDF
NASDAQ Stock Market (XNGS)	Direct Feed	CQS/UQDF	CTS/UTDF
National Stock Exchange (XCIS)	Direct Feed	CQS/UQDF	CTS/UTDF
New York Stock Exchange (XNYS)	Direct Feed	CQS/UQDF	CTS/UTDF
NYSE ARCA (ARCX)	Direct Feed	CQS/UQDF	CTS/UTDF
NYSE MKT (XASE)	Direct Feed	CQS/UQDF	CTS/UTDF

(1) Top of Book. IEX determines the Top of Book quotation for each away trading center to be equal to the price and size of the most current displayed best priced bid and displayed best priced offer of an away trading center in an Regulation NMS Covered Security ("covered security") known to the System during system hours through the market data sources described in paragraph (2) below.

(2) Proprietary Market Data Feeds. The Exchange utilizes the following data feeds for each of the away trading centers that produce Protected Quotations. Proprietary market data feeds are the primary source from which the System determines the Top of Book quotation for each away trading center. Proprietary market data feeds are also the primary source of NBBO for certain reporting, regulatory and compliance systems within IEX. In the event of and during any issue or condition preventing the reliable use of proprietary market data feeds to

determine Top of Book for an away trading center, the System may switch to the Top of Book quotation for that away trading center, for one or more of its covered securities, as disseminated by the applicable Securities Information Processor ("SIP").

(A) IEX aggregates odd and mixed lot quotations received via proprietary market data feeds into round lots for the purposes of determining each away trading center's Top of Book consistent with the convention used by each away trading center in its publish of its own best priced quotations to each SIP.

(3) SIP Market Data Feeds. IEX consumes SIP consolidated quotation and trade data feeds for each of the National Tape Plans for covered securities. SIP feeds are a secondary source of Top of Book information for each away trading center for which IEX has a proprietary market data feed, as well as being a primary source of administrative messages such as halts, unhalts, limit up-limit down reference prices, Regulation SHO short sale circuit breakers, and last sale information. SIP feeds are also the primary source of administrative messages for certain reporting, regulatory and compliance systems within IEX.

(4) IEX Best Priced Quotation. IEX is aware of its own Top of Book, aggregated best priced, resting, displayed orders for which it is publishing a protected quotation, intrinsically within the IEX System. The IEX System is the primary source of the IEX Top of Book for the purposes of calculating quote related reference prices for the trading system. SIP feeds and the IEX proprietary market data feeds may be the, or one of the, primary sources of IEX Top of Book information for certain reporting, regulatory, and compliance systems of the Exchange.

(b) Quote Related Reference Prices are derived from composite of Top of Book determined for each away trading center as per paragraph (a) above in the following manner:

(1) Protected Quotations. Protected Bids and Offers are determined from all Top of Book information for away trading centers' quotations meeting the requirements defined in rules of Regulation NMS. IEX consumes the Protected Quotations from the away trading centers listed in this IEX Rule.

(2) National Best Bid and Offer. The NBBO is equal to the highest bid and lowest offer among all valid Top of Book for each protected quotation in each covered security, including IEX's own quotation. Quotations of venues against which IEX has declared self-help as described in IEX Rule 11.230(d), are included in the determination of the NBBO.

(3) Protected Best Bid and Offer. The Protected NBBO is equal to the highest bid and lowest offer among all valid Top of Book for each protected quotation in each covered security, including IEX's own quotation. Quotations of venues against which IEX has declared self-help as described in IEX Rule 11.230(d), are excluded in the determination of the PBBO.

(4) Market Data Snapshot ("SNAP"). A SNAP is the most current Top of Book of each away trading center disseminating a Protected Quotation at the time requested by the System.

(c) Matching Engine Market Data Usage. The IEX Matching Engine uses the NBBO to determine price for pegged orders and the Regulation SHO Short Sale Price Test, and the Protected NBBO to determine the protected inside for the purpose of preventing locked and crossed markets, NMS price sliding, and trade through protection.

(d) Market Data Usage for Routing Decisions. The System uses the NBBO to determine marketability of orders it handles. The System generates a SNAP for all away trading centers. Quotations excluded from the Protected NBBO are similarly excluded by the System for purposes of determining the Protected Quotations of individual away trading centers in a covered security. The System uses each SNAP for no longer than allowed by Regulation NMS Rule 611 "flickering quote" rule. The System's own orders and the responses it receives from away trading centers displaying protected quotations to which it had routed will serve to inform the System's view of the Protected NBBO and

contribute to the determination of Protected Quotations for purposes of routing that particular order to away trading centers.

Rule 11.420. Order Audit Trail System Requirements

(a) Definitions

For purposes of this IEX Rule 11.420, terms shall have the same meaning as those defined in the IEX Operating Agreement and IEX Rules, unless otherwise specified.

(1) "Bunched Order" shall mean two or more orders that are aggregated prior to execution.

(2) "Customer" shall mean a person other than a broker or dealer.

(3) "Electronic Communication Network" shall mean any electronic system that widely disseminates to third parties orders entered therein by an exchange market maker or over-the counter market maker, and permits such orders to be executed in whole or in part, and as further defined in Rule 600 of SEC Regulation NMS.

(4) "Electronic Order" shall mean an order captured by a Member in an electronic order-routing or execution system.

(5) "Index Arbitrage Trade" shall have the same meaning as the term "Index Arbitrage" in New York Stock Exchange Rule 7410.

(6) "Intermarket sweep order" shall have the same meaning as contained in Rule 600 of SEC Regulation NMS.

(7) "Manual Order" shall mean an order that is captured by a Member other than in an electronic order-routing or execution system.

(8) "NMS stock" shall have the same meaning as contained in Rule 600 of SEC Regulation NMS.

(9) "Order" shall mean any oral, written, or electronic instruction to effect a transaction in an equity security traded by IEX that is received by a Member from another person for handling or execution, or that is originated by a department of a Member for execution by the same or another Member, other than any such instruction to effect (1) a proprietary transaction originated by a trading desk in the ordinary course of a Member's market making activities in an IEX traded equity security or (2) effect a Bona Fide Hedge Transaction involving an IEX traded equity security originated by a trading desk in the ordinary course of the Member's options market making activities.

(10) "Order Audit Trail System" shall mean the automated system owned and operated by FINRA that is designed to capture order information in equity securities traded by IEX and reported by Members for integration with trade and quotation information to provide FINRA with an accurate time sequenced record of orders and transactions.

(11) "Program Trade" shall have the same meaning as the term "Program Trading" in New York Stock Exchange Rule 7410.

(12) "Reporting Agent" shall mean a third party that enters into any agreement with a Member pursuant to which the Reporting Agent agrees to fulfill such Member's obligations under IEX Rule 11.420(e).

(13) "Reporting Member" shall mean a Member that receives or originates an order and has an obligation to record and report information under IEX Rules 11.420(d) and 11.420(e).

(A) A Member shall not be considered a Reporting Member in connection with an order, if the following conditions are met:

(i) the Member engages in a non-discretionary order routing process, pursuant to which it immediately routes, by electronic or other means, all of its orders to a single receiving Reporting Member;

(ii) the Member does not direct and does not maintain control over subsequent routing or execution by the receiving Reporting Member;

(iii) the receiving Reporting Member records and reports all information required under IEX Rules 11.420(d) and 11.420(e) with respect to the order; and

(iv) the Member has a written agreement with the receiving Reporting Member specifying the respective functions and responsibilities of each party to effect full compliance with the requirements of IEX Rules 11.420(d) and 11.420(e).

(14) "Proprietary Trading Firm" shall mean an IEX Member that trades its own capital and that does not have "customers," as that term is defined in IEX Rule 11.420(a)(2), and that is not a FINRA Member. The funds used by a Proprietary Trading firm must be exclusively firm funds and all trading must be in the firm's accounts. Traders must be owners of, employees of, or contractors to the firm.

(b) Applicability

(1) Unless otherwise indicated, the requirements of this IEX Rule 11.420 are in addition to the requirements contained elsewhere in the IEX Rules.

(2) Unless otherwise indicated, the requirements of this IEX Rule 11.420 shall apply to all IEX Members and to their associated persons.

(3) Unless otherwise indicated, the requirements of this IEX Rule 11.420 shall apply to all executed or unexecuted orders for equity securities traded by IEX.

(c) Synchronization of Member Business Clocks

(1) IEX Members shall comply with FINRA Rule 7430 as if such Rule were part of IEX's Rules.

(2) For purposes of this IEX Rule 11.420, references to "the FINRA By-Laws or other FINRA rules" shall be construed as references to "the IEX Rules."

(d) Recording of Order Information

(1) IEX Members and persons associated with a Member shall comply with FINRA Rule 7440 as if such Rule were part of IEX's Rules. IEX and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of IEX. Therefore, IEX Members are complying with IEX Rule 11.420(d) by complying with FINRA Rule 7440 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under IEX Rule 11.420(d) are being performed by FINRA on behalf of IEX.

(2) For purposes of this IEX Rule:

(A) references to FINRA Rules 7420 through 7460 shall be construed as references to IEX Rules 11.420(b) through (f);

(B) references to FINRA Rules 5320, 7440, and 7450 shall be construed as references to IEX Rules 10.6, 11.420(d), and 11.420(e), respectively.

(3) IEX Members shall assign and enter a unique order identifier, in the form prescribed by IEX, to all orders that are electronically transmitted to the Exchange. An order identifier shall not be required for orders that are manually transmitted.

(e) Order Data Transmission Requirements

(1) Except as provided in paragraph (b), IEX Members and persons associated with a Member shall comply with FINRA Rule 7450 as if such Rule were part of IEX's Rules. IEX and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of IEX. Therefore, IEX Members are complying with IEX Rule 11.420(e) by complying with FINRA Rule 7450 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under IEX Rule 11.420(e) are being performed by FINRA on behalf of IEX.

(2) Proprietary Trading Firms shall be required to comply with FINRA Rule 7450 as if such Rule were part of IEX's Rules, only when they receive a request from IEX Regulation to submit order information with respect to specific time periods identified in such request. Nothing in this IEX Rule shall be construed to limit the obligations of Proprietary Trading Firms under any other FINRA Rule of the 7400A Series, including but not limited to, IEX Rule 11.420(d).

(3) For purposes of this IEX Rule, references to FINRA Rule 7440 shall be construed as references to IEX Rule 11.420(d).

(f) Violation of Order Audit Trail System Rules

Failure of a Member or person associated with a Member to comply with any of the requirements of IEX Rule 11.420(a) through IEX Rule 11.420(f) may be considered conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of IEX Rule 3.110.

(g) FINRA 7470A Exemption to the Order Recording and Data Transmission Requirements

(1) Pursuant to the IEX Rule Series 9.600, IEX, for good cause shown after taking into consideration all relevant factors, may exempt subject to specified terms and conditions, a Member from the recording and order data transmission requirements of IEX Rules 11.420(d) and 11.420(e), respectively, for manual orders, if such exemption is consistent with the protection of investors and the public interest, and the Member meets the following criteria:

(A) the Member and current control affiliates and associated persons of the Member have not been subject within the last five years to any final disciplinary action, and within the last ten years to any disciplinary action involving fraud;

(B) the Member has annual revenues of less than $2,000,000.00 (two million dollars);

(C) the Member does not conduct any market making activities in IEX traded equity securities:

(D) the Member does not execute principal transactions with its customers (with limited exception for principal transactions executed pursuant to error corrections); and

(E) the Member does not conduct clearing or carrying activities for other firms.

(2) An exemption provided pursuant to this IEX Rule shall not exceed a period of two years. At or prior to the expiration of a grant of exemptive relief under this IEX Rule 11.420, a Member meeting the criteria set forth in paragraph (a) above may request, pursuant to the IEX Rule Series 9.600, a subsequent exemption, which will be considered at the time of the request consistent with the protection of investors and the public interest.

CHAPTER 12. CODE OF ARBITRATION PROCEDURE FOR CUSTOMER AND INDUSTRY DISPUTES

Rule 12.110. Arbitration

(a) General. The Rule 12000 Series and Rule 13000 Series of the FINRA Manual (Code of Arbitration Procedures for Customer Disputes and Code of Arbitration Procedures for Industry Disputes) (the "FINRA Code of Arbitration"), as the same may be in effect from time to time, shall govern Exchange arbitrations except as may be specified in this IEX Rule 12.110. Definitions in the FINRA Code of Arbitration shall have the same meaning as that prescribed therein, and procedures contained in the FINRA Code of Arbitration shall have the same application as toward Exchange arbitrations.

(b) Jurisdiction. Any dispute, claim, or controversy arising out of or in connection with the business of any Member of the Exchange, or arising out of the employment or termination of employment of associated person(s) with any Member may be arbitrated under this IEX Rule 12.110 except that:

(1) a dispute, claim, or controversy alleging employment discrimination (including a sexual harassment claim) in violation of a statue may only be arbitrated if the parties have agreed to arbitrate it after the dispute arose; and

(2) any type of dispute, claim, or controversy that is not permitted to be arbitrated under the FINRA Code of Arbitration (such as class action claims) shall not be eligible for arbitration under this IEX Rule 12.110.

(c) Predispute Arbitration Agreements. The requirements of FINRA Rule 2268 shall apply to predispute arbitration agreements between Members and their customers.

(d) Referrals. If any matter comes to the attention of an arbitrator during and in connection with the arbitrator's participation in a proceeding, either from the record of the proceeding or from material or communications related to the proceeding, that the arbitrator has reason to believe may constitute a violation of the Exchange's Rules or the federal securities laws, the arbitrator may initiate a referral of the matter to the Exchange for disciplinary investigation; provided, however, that any such referral should only be initiated by an arbitrator after the matter before him has been settled or otherwise disposed of, or after an award finally disposing of the matter has been rendered pursuant to Rule 12904 or 13904 (as applicable) of the FINRA Code of Arbitration.

(e) Payment of Awards. Any Member, or person associated with a Member, who fails to honor an award of arbitrators appointed in accordance with this IEX Rule 12.110 shall be subject to disciplinary proceedings in accordance with Chapter 9.

(f) Other Exchange Actions. The submission of any matter to arbitration under this IEX Rule 12.110 shall in no way limit or preclude any right, action or determination by the Exchange which it would otherwise be authorized to adopt, administer or enforce.

CHAPTER 13. RESERVED.

CHAPTER 14. IEX LISTING RULES

Rule 14.001. The Qualification, Listing, and Delisting of Companies

Chapter 14 contains rules related to the qualification, listing and delisting of Companies on the Exchange

The IEX Rule Series 14.100 discusses IEX's general regulatory authority. The IEX Rule Series 14.200 sets forth the procedures and prerequisites for gaining a listing on IEX, as well as the disclosure obligations of listed Companies. The IEX Rule Series 14.300 contains the specific quantitative listing requirements. The corporate governance requirements

are contained in the IEX Rule Series 14.400. The consequences of a failure to meet IEX's listing standards are contained in the IEX Rule Series 14.500. Company listing fees are described in the IEX Rule Series 14.600. Special listing requirements for securities other than common or preferred stock and warrants are contained in Chapter 16.

The Exchange exercises other authorities important to listed Companies pursuant to its Rules. For example, the Exchange may close markets upon request of the SEC (see IEX Rule 11.110(c)). It may also halt the trading of a Company's securities under certain circumstances and pursuant to established procedures (see IEX Rule 11.280). These authorities are exercised primarily by IEX Regulation and are contained in Chapter 11.

IEX and the Financial Industry Regulatory Authority, Inc. ("FINRA") are parties to a regulatory contract pursuant to which FINRA has agreed to perform certain functions described in the IEX Rules and on behalf of IEX. Notwithstanding the fact that IEX has entered into the regulatory contract with FINRA to perform some of IEX's functions, IEX shall retain ultimate legal responsibility for, and control of, such functions.

Rule 14.002. Definitions

(a) The following is a list of definitions used throughout the Exchange's Listing Rules. This IEX Rule also lists various terms together with references to other rules where they are specifically defined. Unless otherwise specified by the Rules, these terms shall have the meanings set forth below. Defined terms are capitalized throughout the Listing Rules.

(1) "Act" means the Securities Exchange Act of 1934.

(2) "Bid Price" means the closing bid price.

(3) "Best efforts offering" means an offering of securities by members of a selling group under an agreement that imposes no financial commitment on the members of such group to purchase any such securities except as they may elect to do so.

(4) "Cash flows" is defined in IEX Rule 14.302(b).

(5) "Company" means the issuer of a security listed or applying to list on the Exchange. For purposes of Chapter 14, the term "Company" includes an issuer that is not incorporated, such as, for example, a limited partnership.

(6) "Country of Domicile" means the country under whose laws a Company is organized or incorporated.

(7) "Covered Security" means a security described in Section 18(b) of the Securities Act of 1933.

(8) "Direct Registration Program" means any program by a Company, directly or through its transfer agent, whereby a Shareholder may have securities registered in the Shareholder's name on the books of the Company or its transfer agent without the need for a physical certificate to evidence ownership.

(9) "EDGAR System" means the SEC's Electronic Data Gathering, Analysis, and Retrieval system.

(10) "ESOP" means employee stock option plan.

(11) "Executive Officer" is defined in IEX Rule 14.405(a)(1).

(12) "Filed with the Exchange" means submitted to the Exchange directly or filed with the Commission through the EDGAR System.

(13) "Firm Commitment Offering" means an offering of securities by participants in a selling syndicate under an agreement that imposes a financial commitment on participants in such syndicate to purchase such securities.

(14) "Family Member" is defined in IEX Rule 14.405(a)(2).

(15) "Foreign Private Issuer" shall have the same meaning as under Rule 3b-4 under the Act.

(16) "IEX Listed security" means a security listed on the Exchange.

(17) "IEX Company" means the issuer of a security listed on the Exchange.

(18) "Independent Director" is defined in IEX Rule 14.405(a)(2).

(19) "Listed Securities" means securities listed on the Exchange or another national securities exchange.

(20) "Market Maker" means a dealer that, with respect to a security, holds itself out (by entering quotations into the Exchange) as being willing to buy and sell such security for its own account on a regular and continuous basis and that is registered as such.

(21) "Market Value" means the consolidated closing bid price multiplied by the measure to be valued (e.g., a Company's Market Value of Publicly Held Shares is equal to the consolidated closing bid price multiplied by a Company's Publicly Held Shares).

(22) "Member" means a broker or dealer admitted to membership in the Exchange.

(23) "Other Regulatory Authority" means: (i) in the case of a bank or savings authority identified in Section 12(i) of the Act, the agency vested with authority to enforce the provisions of Section 12 of the Act; or (ii) in the case of an insurance company that is subject to an exemption issued by the Commission that permits the listing of the security, notwithstanding its failure to be registered pursuant to section 12(b), the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state.

(24) "Primary Equity Security" means a Company's first class of Common Stock, Ordinary Shares, Shares or Certificates of Beneficial Interest of Trust, Limited Partnership Interests or American Depositary Receipts ("ADRs") or Shares ("ADSs").

(25) "Publicly Held Shares" means shares not held directly or indirectly by an officer, director or any person who is the beneficial owner of more than 10 percent of the total shares outstanding. Determinations of beneficial ownership in calculating publicly held shares shall be made in accordance with Rule 13d-3 under the Act.

(26) "Public Holders" means holders of a security that includes both beneficial holders and holders of record, but does not include any holder who is, either directly or indirectly, an Executive Officer, director, or the beneficial holder of more than 10% of the total shares outstanding.

(27) "Reverse Merger" means any transaction whereby an operating company becomes an Exchange Act reporting company by combining, either directly or indirectly, with a shell company which is an Exchange Act reporting company, whether through a reverse merger, exchange offer, or otherwise. However, a Reverse Merger does not include a business combination described in IEX Rule 14.102(a). In determining whether a Company is a shell company, the Exchange will look to a number of factors, including but not limited to: whether the Company is considered a "shell company" as defined in Rule 12b-2 under the Act; what percentage of the Company's assets are active versus passive; whether the Company generates revenues, and if so, whether the revenues are passively or actively generated; whether the Company's expenses are reasonably related to the revenues being generated; how many employees support the Company's revenue-generating business operations; how long the Company has been without material business operations; and whether the Company has publicly announced a plan to begin operating activities or generate revenues, including through a near-term acquisition or transaction.

(28) "Round Lot" or "Normal Unit of Trading" means 100 shares of a security unless, with respect to a particular security, the Exchange determines that a normal unit of trading shall constitute other than 100 shares. If a normal unit of trading is other than 100 shares, a special identifier shall be appended to the Company's Exchange symbol.

(29) "Round Lot Holder" means a holder of a Normal Unit of Trading. The number of beneficial holders will be considered in addition to holders of record.

(30) "Shareholder" means a record or beneficial owner of a security listed or applying to list. For purposes of Chapter 14, the term "Shareholder" includes, for example, a limited partner, the owner of a depository receipt, or unit.

(31) "Substantial Shareholder" is defined in IEX Rule 14.412(e)(3).

(32) "Substitution Listing Event" means: a reverse stock split, re-incorporation or a change in the Company's place of organization, the formation of a holding company that replaces a listed Company, reclassification or exchange of a Company's listed shares for another security, the listing of a new class of securities in substitution for a previously-listed class of securities or any technical change whereby the Shareholders of the original Company receive a share-for-share interest in the new Company without any change in their equity position or rights.

(33) "Total Holders" means holders of a security that includes both beneficial holders and holders of record.

Rule 14.100. IEX's Regulatory Authority

Rule 14.101. IEX's Regulatory Authority

The Exchange is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. The Exchange stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. Exchange Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

The Exchange, therefore, in addition to applying the enumerated criteria set forth in Chapter 14, has broad discretionary authority over the initial and continued listing of securities on the Exchange in order to maintain the quality, transparency and integrity of and public confidence in its market; to prevent fraudulent and manipulative acts and practices; to promote just and equitable principles of trade; to protect investors and the public interest; and to protect the safety and security of the Exchange and its employees. The Exchange may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange. In the event that the Exchange Staff makes a determination to suspend or deny continued listing pursuant to its discretionary authority, the Company may seek review of that determination through the procedures set forth in the IEX Rule Series 14.500.

• • • Supplementary Material • • •

.01 Use of Discretionary Authority.

To further Companies' understanding of this IEX Rule, the Exchange has adopted this Supplementary Material .01 as a non-exclusive description of the circumstances in which the Rule is generally invoked.

The Exchange may use its authority under this IEX Rule to deny initial or continued listing to a Company when an individual with a history of regulatory misconduct is associated with the Company. Such individuals are typically an officer, director, Substantial Shareholder (as defined in IEX Rule 14.412(e)(3)), or consultant to the Company. In making this determination, the Exchange will consider a variety of factors, including:

(a) the nature and severity of the conduct, taken in conjunction with the length of time since the conduct occurred;

(b) whether the conduct involved fraud or dishonesty;

(c) whether the conduct was securities-related;

(d) whether the investing public was involved;

(e) how the individual has been employed since the violative conduct;

(f) whether there are continuing sanctions (either criminal or civil) against the individual;

(g) whether the individual made restitution;

(h) whether the Company has taken effective remedial action; and

(i) the totality of the individual's relationship to the Company, giving consideration to:

(j) the individual's current or proposed position;

(k) the individual's current or proposed scope of authority;

(l) the extent to which the individual has responsibility for financial accounting or reporting; and

(m) the individual's equity interest.

Based on this review, the Exchange may determine that the regulatory history rises to the level of a public interest concern, but may also consider whether remedial measures proposed by the Company, if taken, would allay that concern. Examples of such remedial measures could include any or all of the following, as appropriate:

(1) the individual's resignation from officer and director positions, and/or other employment with the Company;

(2) divestiture of stock holdings;

(3) terminations of contractual arrangements between the Company and the individual; or

(4) the establishment of a voting trust surrounding the individual's shares.

The Exchange staff is willing to discuss with Companies, on a case-by-case basis, what remedial measures may be appropriate to address public interest concerns, and for how long such remedial measures would be required. Alternatively, the Exchange may conclude that a public interest concern is so serious that no remedial measure would be sufficient to alleviate it. In the event that the Exchange staff denies continued listing based on such public interest considerations, the Company may seek review of that determination through the procedures set forth in the IEX Rule 14.500 Series. On consideration of such appeal, a listing qualifications panel comprised of persons independent of the Exchange may accept, reject or modify the staff's recommendations by imposing conditions.

The Exchange may also use its discretionary authority, for example, when a Company files for protection under any provision of the federal bankruptcy laws or comparable foreign laws, when a Company's independent accountants issue a disclaimer opinion on financial statements required to be audited, or when financial statements do not contain a required certification.

In addition, pursuant to its discretionary authority, the Exchange will review the Company's past corporate governance activities. This review may include activities taking place while the Company is listed on the Exchange or an exchange that imposes corporate governance requirements, as well as activities taking place after a formerly listed company is no longer listed on the Exchange or such an exchange. Based on such review, and in accordance with the IEX Rule 14.500 Series, the Exchange may take any appropriate action, including placing restrictions on or additional requirements for listing, or denying listing of a security, if the Exchange determines that there have been violations or evasions of such corporate governance standards. Such determinations will be made on a case-by-case basis as necessary to protect investors and the public interest.

Although the Exchange has broad discretion under this IEX Rule to impose additional or more stringent criteria, this IEX Rule does not provide a basis for the Exchange to grant exemptions or exceptions from the enumerated criteria for initial or continued listing, which may be granted solely pursuant to IEX Rules explicitly providing such authority.

Rule 14.102. Change of Control, Bankruptcy, Liquidation, and Reverse Mergers

(a) Business Combinations with non-IEX Entities Resulting in a Change of Control.

A Company must apply for initial listing in connection with a transaction whereby the Company combines with, or into, an entity that is not an IEX Company, resulting in a change of control of the Company and potentially allowing such entity to obtain an Exchange Listing. In determining whether a change of control has occurred, the Exchange shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. The Exchange shall also consider the nature of the businesses and the relative size of the IEX Company and the entity that is not an IEX Company. The Company must submit an application for the post-transaction entity with sufficient time to allow the Exchange to complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, the Exchange will issue a Staff Delisting Determination and begin delisting proceedings pursuant to IEX Rule 14.500.

(b) Bankruptcy and Liquidation.

The Exchange may use its discretionary authority under Chapter 14 to suspend or terminate the listing of a Company that has filed for protection under any provision of the federal bankruptcy laws or comparable foreign laws, or has announced that liquidation has been authorized by its board of directors and that it is committed to proceed, even though the Company's securities otherwise meet all enumerated criteria for continued listing on the Exchange. In the event that the Exchange determines to continue the listing of such a Company during a bankruptcy reorganization, the Company shall nevertheless be required to satisfy all requirements for initial listing, including the payment of initial listing fees, upon emerging from bankruptcy proceedings.

(c) Reverse Mergers

(1) A Company that is formed by a Reverse Merger (a "Reverse Merger Company") shall be eligible to submit an application for initial listing only if the combined entity has, immediately preceding the filing of the initial listing application:

(A) traded for at least one year in the U.S. over-the-counter market, on another national securities exchange, or on a regulated foreign exchange, following the filing with the Commission or Other Regulatory Authority of all required information about the transaction, including audited financial statements for the combined entity; and

(B) maintained a closing bid price of $4 per share or higher for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days.

(2) In addition to satisfying all of the Exchange's other initial listing requirements, a Reverse Merger Company will only be approved for listing if, at the time of approval, it has:

(A) timely filed all required periodic financial reports with the Commission or Other Regulatory Authority (Forms 10-Q, 10-K, or 20-F) for the prior year, including at least one annual report. The annual report must contain audited financial statements for a full fiscal year commencing after filing the information described in paragraph (1)(A) above; and

(B) maintained a closing bid price of $4 per share or higher for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days prior to approval.

(3) A Reverse Merger Company will not be subject to the requirements of this IEX Rule if, in connection with its listing, it completes a firm commitment underwritten public offering where the gross proceeds to the Reverse Merger Company will be at least $40 million. In addition, a Reverse Merger Company will no longer be subject

to the requirements of this IEX Rule once it has satisfied the one-year trading requirement contained in paragraph (1)(A) above and has filed at least four annual reports with the Commission or Other Regulatory Authority containing all required audited financial statements for a full fiscal year commencing after filing the information described in that paragraph. In either case described in this paragraph (3), the Reverse Merger Company must satisfy all applicable requirements for initial listing, including the minimum bid price requirement and the requirement contained in IEX Rule 14.203(e) that the Company not be delinquent in its filing obligation with the Commission or Other Regulatory Authority.

Rule 14.200. General Procedures and Prerequisites for Initial and Continued Listing on the Exchange.

Rule 14.201. Confidential Pre-Application Review of Eligibility

(a) A Company seeking the initial listing of one or more classes of securities on the Exchange must participate in a free confidential pre-application eligibility review by the Exchange in order to determine whether it meets the Exchange's listing criteria. If, upon completion of this review, the Exchange determines that a company is eligible for listing, the Exchange will notify that company in writing (the "clearance letter") that it has been cleared to submit an original listing application. A clearance letter is valid for nine months from its date of issuance. If a company does not list within that nine month period and wishes to list thereafter, the Exchange will perform another confidential listing eligibility review as a condition to the issuance of a new clearance letter. Once a Company has cleared such review, it may file an original listing application pursuant to IEX Rule 14.202.

(b) Preliminary discussions with the Exchange on important matters in connection with the confidential pre-application eligibility review may be undertaken by Company officials interested in listing with the assurance that careful security measures have been adopted by the Exchange to avoid revealing any confidential information which the Company may disclose.

The information needed for the purpose of conducting a confidential pre-eligibility review is set forth in IEX Rules 14.202, 14.203, and Chapter 14 generally.

Rule 14.202. The Applications and Qualifications Process

(a) After receiving a clearance letter pursuant to IEX Rule 14.201, a company choosing to list must file an original listing application. To apply for listing on the Exchange, a Company shall execute a Listing Agreement and a Listing Application on the forms designated by the Exchange providing the information required by Section 12(b) of the Act.

(b) A Company's compliance with the initial listing criteria will be determined on the basis of the Company's most recent information filed with the Commission or Other Regulatory Authority and information provided to the Exchange. The Company shall certify, at or before the time of listing, that all applicable listing criteria have been satisfied.

(c) A Company's qualifications will be determined on the basis of financial statements that are either: (i) prepared in accordance with U.S. generally accepted accounting principles; or (ii) reconciled to U.S. generally accepted accounting principles as required by the Commission's rules; or (iii) prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, for Companies that are permitted to file financial statements using those standards consistent with the Commission's rules.

(d) A Company that has applied for initial listing on the Exchange shall file with the Exchange all reports and other documents filed or required to be filed with the Commission or Other Regulatory Authority. This requirement is satisfied by publicly filing documents through the EDGAR System. All required reports must be filed with the Exchange

on or before the date they are required to be filed with the Commission or Other Regulatory Authority. Annual reports filed with the Exchange shall contain audited financial statements.

(e) The Exchange may request any information or documentation, public or non-public, deemed necessary to make a determination regarding a security's initial listing, including, but not limited to, any material provided to or received from the Commission or Other Regulatory Authority. A Company's security may be denied listing if the Company fails to provide such information within a reasonable period of time or if any communication to the Exchange contains a material misrepresentation or omits material information necessary to make the communication to the Exchange not misleading.

(f) All forms and applications relating to listing of securities on the Exchange referenced in Chapter 14 are available from the Exchange's Regulation Department.

(g) The computation of Publicly Held Shares and Market Value of Publicly Held Shares shall be as of the date of application of the Company.

(h) An account of a Member that is beneficially owned by a customer (as defined in IEX Rule 1.160(j)) will be considered a holder of a security upon appropriate verification by the Member.

(i) A Company may withdraw its application for initial listing at any time.

Rule 14.203. Prerequisites for Applying to List on the Exchange

All Companies applying to list on IEX must meet the following prerequisites:

(a) Registration under 12(b) of the Act. A security shall be eligible for listing on IEX provided that it is: (i) registered pursuant to Section 12(b) of the Act; or (ii) subject to an exemption issued by the Commission that permits the listing of the security notwithstanding its failure to be registered pursuant to Section 12(b).

(b) Auditor Registration. Each Company applying for initial listing must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(c) Direct Registration Program. All securities initially listing on IEX, except securities which are book-entry only, must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act. A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, shall not be subject to this requirement if it submits to IEX a written statement from an independent counsel in such Company's home country certifying that a law or regulation in the home country prohibits compliance.

(d) Fees. The Company is required to pay all applicable fees as described in IEX Rule Series 14.600.

(e) Good Standing. No security shall be approved for listing that is delinquent in its filing obligation with the Commission or Other Regulatory Authority or suspended from trading by the Commission pursuant to Section 12(k) of the Act or by the appropriate regulatory authorities of the Company's country of domicile.

(f) Exchange Certification. Upon approval of a listing application, the Exchange shall certify to the Commission, pursuant to Section 12(d) of the Act and the rules thereunder, that it has approved the security for listing and registration. Listing can commence only upon effectiveness of the security's registration pursuant to Section 12(d).

(g) Security Depository.

(1) "Securities Depository" means a securities depository registered as a clearing agency under Section 17A of the Act.

(2) For initial listing, a security shall have a CUSIP number or foreign equivalent identifying the securities included in the file of eligible issues maintained by a Securities Depository in accordance with the rules and procedures of such securities depository. This subparagraph shall not apply to a security if the terms of the security do not and cannot be reasonably modified to meet the criteria for depository eligibility at all Securities Depositories.

(3) A Security Depository's inclusion of a CUSIP number or foreign equivalent identifying a security in its file of eligible issues does not render the security "depository eligible" until:

(A) in the case of any new issue distributed by an underwriting syndicate on or after the date a Securities Depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available, the date of the commencement of trading in such security on the Exchange; or

(B) in the case of any new issue distributed by an underwriting syndicate prior to the date a Securities Depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available where the managing underwriter elects not to deposit the securities on the date of the commencement of trading in such security on the Exchange, such later date designated by the managing underwriter in a notification submitted to the Securities Depository; but in no event more than three (3) months after the commencement of trading in such security on the Exchange.

(h) Limited Partnerships. No security issued in a limited partnership rollup transaction (as defined by Section 14(h) of the Act), shall be eligible for listing unless:

(1) the rollup transaction was conducted in accordance with procedures designed to protect the rights of limited partners as provided in Section 6(b)(9) of the Act, as it may from time to time be amended, and

(2) a broker-dealer that is a member of a national securities association subject to Section 15A(b)(12) of the Act participates in the rollup transaction.

The Company shall further provide an opinion of counsel stating that such broker- dealer's participation in the rollup transaction was conducted in compliance with the rules of a national securities association designed to protect the rights of limited partners, as specified in the Limited Partnership Rollup Reform Act of 1993.

In addition to any other applicable requirements, each limited partnership listed on the Exchange shall have a corporate general partner or co-general partner that satisfies the Independent Director and audit committee requirements set forth in the IEX Rule 14.400 Series.

Note: The only currently existing national securities association subject to Section 15A(b)(12) of the Act is FINRA. Its rules designed to protect the rights of limited partners, pursuant to the Limited Partnership Rollup Reform Act of 1993, are specified in FINRA Rule 2310.

(i) Reverse Mergers. A security issued by a Company formed by a Reverse Merger shall be eligible for initial listing only if the conditions set forth in IEX Rule 14.102(c) are satisfied.

Rule 14.204. American Depositary Receipts

(a) Eligibility. American Depositary Receipts can be listed on the Exchange provided they represent shares in a non-Canadian foreign Company.

(b) Computations. In the case of American Depositary Receipts, annual income from continuing operations and Stockholders' Equity shall relate to the foreign issuer and not to any depositary or any other person deemed to be an issuer for purposes of Form S-12 under the Securities Act of 1933. The underlying security will be considered when determining annual income from continuing operations, Publicly Held Shares, Market Value of Publicly Held Shares,

Stockholders' Equity, Round Lot or Public Holders, operating history, Market Value of Listed Securities, and total assets and total revenue.

Rule 14.205. Additional Requirements for IEX-Listed Securities Issued by the Exchange or its Affiliates

(a) For purposes of this IEX Rule 14.205, the terms below are defined as follows:

(1) "IEX Affiliate" means IEX and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with IEX, where "control" means that the one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

(2) "Affiliate Security" means any security issued by an IEX Affiliate, with the exception of Portfolio Depository Receipts and Index Fund Shares as defined in Chapter 16.

(b) Upon initial and throughout continued listing of the Affiliate Security on IEX, IEX shall

(1) file a report quarterly with the Commission detailing IEX's monitoring of:

(A) the IEX Affiliate's compliance with the listing requirements contained in Chapter 14; and

(B) the trading of the Affiliate Security, which shall include summaries of all related surveillance alerts, complaints, regulatory referrals, trades canceled or adjusted pursuant to IEX Rule 11.270, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data of such security.

(2) engage an independent accounting firm once a year to review and prepare a report on the Affiliate Security to ensure that the IEX Affiliate is in compliance with the listing requirements contained in Chapter 14 and promptly forward to the Commission a copy of the report prepared by the independent accounting firm.

(c) In the event that IEX determines that the IEX Affiliate is not in compliance with any of the listing requirements contained in Chapter 14, IEX shall file a report with the Commission within five business days of providing notice to the IEX Affiliate of its non-compliance. The report shall identify the date of non-compliance, type of non-compliance and any other material information conveyed to the IEX Affiliate in the notice of non-compliance. Within five business days of receipt of a plan of compliance from the IEX Affiliate, IEX shall notify the Commission of such receipt, whether the plan of compliance was accepted by IEX or what other action was taken with respect to the plan and the time period provided to regain compliance with Chapter 14, if any.

Rule 14.206. Listing Requirements for Units

(a) Initial and Continued Listing Requirements

(1) All units shall have at least one equity component. All components of such units shall satisfy the requirements for initial and continued listing as IEX Listed securities, or, in the case of debt components, satisfy the requirements of paragraph (a)(2) below.

(2) All debt components of a unit, if any, shall meet the following requirements:

(A) the debt issue must have an aggregate market value or principal amount of at least $5 million;

(B) in the case of convertible debt, the equity into which the debt is convertible must itself be subject to real-time last sale reporting in the United States, and the convertible debt must not contain a provision which

gives the company the right, at its discretion, to reduce the conversion price for periods of time or from time to time unless the company establishes a minimum period of ten business days within which such price reduction will be in effect.

(3) All components of the unit shall be issued by the same issuer. All units and issuers of such units shall comply with the initial and continued listing requirements of the Exchange.

(b) Minimum Listing Period and Notice of Withdrawal

In the case of units, the minimum listing period of the units shall be 30 days from the first day of listing, except the period may be shortened if the units are suspended or withdrawn for regulatory purposes. Companies and underwriters seeking to withdraw units from listing must provide the Exchange with notice of such intent at least 15 days prior to withdrawal.

(c) Disclosure Requirements for Units

Each Exchange issuer of units shall include in its prospectus or other offering document used in connection with any offering of securities that is required to be filed with the Commission under the federal securities laws and the rules and regulations promulgated thereunder a statement regarding any intention to delist the units immediately after the minimum inclusion period. The issuer of a unit shall further provide information regarding the terms and conditions of the components of the unit (including information with respect to any original issue discount or other significant tax attributes of any component) and the ratio of the components comprising the unit. A Company shall also disclose when a component of the unit is separately listed on the Exchange. These disclosures shall be made on the Company's website, or if it does not maintain a website, in its annual report provided to unit holders. A Company shall also immediately make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing, any change in the terms of the unit, such as changes to the terms and conditions of any of the components (including changes with respect to any original issue discount or other significant tax attributes of any component), or to the ratio of the components within the unit. Such public announcement shall be made as soon as practicable in relation to the effective date of the change.

(d) Market Makers

(1) For initial inclusion, a unit shall have at least three registered and active Market Makers.

(2) For continued listing, a unit shall have at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

Rule 14.207. Obligations for Companies Listed on the Exchange

(a) Obligation to Provide Information to the Exchange

(1) The Exchange may request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a Company's continued listing, including, but not limited to, any material provided to or received from the Commission or Other Regulatory Authority. A Company may be denied continued listing if it fails to provide such information within a reasonable period of time or if any communication to the Exchange contains a material misrepresentation or omits material information necessary to make the communication to the Exchange not misleading. The Company shall provide full and prompt responses to requests by the Exchange or by FINRA acting on behalf of the Exchange for information related to unusual market activity or to events that may have a material impact on trading of its securities on the Exchange.

(2) As set forth in IEX Rule 14.410, a Company must provide the Exchange with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the requirements of the Rule 14.400 Series.

(b) Obligation to Make Public Disclosure

(1) Disclosure of Material Information

Except in unusual circumstances, an Exchange-listed Company shall make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. The Company shall, prior to the release of the information, provide notice of such disclosure to the Exchange's Regulation Department at least ten minutes prior to public announcement if the information involves any of the events set forth in Supplementary Material .01 to this IEX Rule and the public release of the material information is made during System Hours (as defined in IEX Rule 1.160(oo)). If the public release of the material information is made outside of System Hours, Exchange Companies must notify the Exchange's Regulation Department of the material information at least 10 minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). As described in Supplementary Material .01 to this IEX Rule, prior notice to the Exchange's Regulation Department must be made through the electronic disclosure submission system available at the Exchange's Web site, except in emergency situations.

(2) Disclosure of Notification of Deficiency

As set forth in IEX Rule 14.501(c), a listed Company that receives a notification of deficiency from the Exchange is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, and describing each specific basis and concern identified by the Exchange in reaching its determination that the Company does not meet the listing standard. However, note that in the case of a deficiency related to the requirement to file a periodic report contained in IEX Rule 14.207(c)(1) or (2), the Company is required to make the public announcement by issuing a press release. As described in IEX Rule 14.207(b)(1) above and Supplementary Material .01 below, the Company must notify the Exchange's Regulation Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify the Exchange's Regulation Department at least ten minutes prior to the announcement. If the public announcement is made outside of System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify the Exchange's Regulation Department of the announcement at least ten minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)).

(c) Obligation to File Periodic Financial Reports

(1) A Company shall timely file all required periodic financial reports with the Commission through the EDGAR System or with the Other Regulatory Authority. A Company that does not file through the EDGAR System shall supply to the Exchange two (2) copies of all reports required to be filed with the Other Regulatory Authority or email an electronic version of the report to the Exchange at continuedlisting@IEXtrading.com. All required reports must be filed with the Exchange on or before the date they are required to be filed with the Commission or Other Regulatory Authority. Annual reports filed with the Exchange shall contain audited financial statements.

(2) Foreign Private Issuer Interim Reports

Each Foreign Private Issuer shall submit on a Form 6-K an interim balance sheet and income statement as of the end of its second quarter. This information, which must be presented in English, but does not have to be reconciled to U.S. GAAP, must be provided no later than six months following the end of the Company's second quarter. In the case of a Foreign Private Issuer that is a limited partnership, such information shall be distributed to limited partners if required by statute or regulation in the jurisdiction in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement.

(3) Auditor Registration

Each listed Company shall be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(d) Distribution of Annual and Interim Reports

(1) Distribution of Annual Reports. Each Company (including a limited partnership) shall make available to Shareholders an annual report containing audited financial statements of the Company and its subsidiaries (which, for example, may be on Form 10-K, 20-F, 40-F or N-CSR) within a reasonable period of time following the filing of the annual report with the Commission. A Company may comply with this requirement either:

(A) by mailing the report to Shareholders;

(B) by satisfying the requirements for furnishing an annual report contained in Rule 14a-16 under the Act; or

(C) by posting the annual report to Shareholders on or through the Company's website (or, in the case of a Company that is an investment company that does not maintain its own website, on a website that the Company is allowed to use to satisfy the website posting requirement in Rule 16a-3(k) under the Act), along with a prominent undertaking in the English language to provide Shareholders, upon request, a hard copy of the Company's annual report free of charge. A Company that chooses to satisfy this requirement pursuant to this paragraph (C) must, simultaneous with this posting, issue a press release stating that its annual report has been filed with the Commission (or Other Regulatory Authority). This press release shall also state that the annual report is available on the Company's website and include the website address and that Shareholders may receive a hard copy free of charge upon request. A Company must provide such hard copies within a reasonable period of time following the request.

(2) Distribution of Interim Reports. Exchange Companies that distribute interim reports to Shareholders should distribute such reports to both registered and beneficial Shareholders. Exchange Companies are also encouraged to consider additional technological methods to communicate such information to Shareholders in a timely and less costly manner as such technology becomes available.

(3) Access to Quarterly Reports.

(A) Each Company that is not a limited partnership (limited partnerships are governed by paragraph (B) below) and is subject to Rule 13a-13 under the Act shall make available copies of quarterly reports including statements of operating results to Shareholders either prior to or as soon as practicable following the Company's filing of its Form 10-Q with the Commission. If the form of such quarterly report differs from the Form 10-Q, the Company shall file one copy of the report with the Exchange in addition to filing its Form 10-Q pursuant to Rule 14.207(c)(1). The statement of operations contained in quarterly reports shall disclose, at a minimum, any substantial items of an unusual or non-recurrent nature and net income before and after estimated federal income taxes or net income and the amount of estimated federal taxes.

(B) Each Company that is a limited partnership and is subject to Rule 13a-13 under the Act shall make available copies of quarterly reports including statements of operating results to limited partners either prior to or as soon as practicable following the partnership's filing of its Form 10-Q with the Commission. Such reports shall be distributed to limited partners if required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement. If the form of such quarterly report differs from the Form 10-Q, the Company shall file one copy of the report with the Exchange in addition to filing its Form 10-Q pursuant to IEX Rule 14.207(c)(1). The statement of operations contained in quarterly reports shall disclose, at a minimum, any substantial items of an unusual or non-recurrent nature and net income before and after estimated federal income taxes or net income and the amount of estimated federal taxes.

(4) Access to Interim Reports

(A) Each Company that is not a limited partnership and is not subject to Rule 13a-13 under the Act and that is required to file with the Commission, or Other Regulatory Authority, interim reports relating primarily to operations and financial position, shall make available to Shareholders reports which reflect the information contained in those interim reports. Such reports shall be made available to Shareholders either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to Shareholders differs from that filed with the regulatory authority, the Company shall file one copy of the report to Shareholders with the Exchange in addition to the report to the regulatory authority that is filed with the Exchange pursuant to IEX Rule 14.207(c)(1).

(B) Each Company that is a limited partnership that is not subject to Rule 13a-13 under the Act and is required to file with the Commission, or Other Regulatory Authority, interim reports relating primarily to operations and financial position, shall make available to limited partners reports which reflect the information contained in those interim reports. Such reports shall be distributed to limited partners if required by statue or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement. Such reports shall be distributed to limited partners either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to limited partners differs from that filed with the regulatory authority, the Company shall file one copy of the report to limited partners with the Exchange in addition to the report to the regulatory authority that is filed with the Exchange pursuant to IEX Rule 14.207(c)(1).

(5) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of IEX Rule 14.207(d)(1), (2), (3), or (4) or by utilizing the process described in IEX Rule 14.407(a)(3).

(6) The Company shall comply with any obligation of any person regarding filing or disclosure of information material to the Company or the security, whether such obligation arises under the securities laws of the United States or the Company's country of domicile, or other applicable federal or state statutes or rules.

(e) Exchange Notification Requirements. Various corporate events resulting in material changes will trigger the requirement for Companies to submit certain forms and applicable fees to the Exchange as specified below. All applicable forms can be found on the Exchange's Web site.

(1) Change in Number of Shares Outstanding. The Company shall file, on a form designated by the Exchange no later than 10 days after the occurrence, any aggregate increase or decrease of any class of securities listed on the Exchange that exceeds 5% of the amount of securities of the class outstanding.

(2) Listing of Additional Shares. A Company shall be required to notify the Exchange, except for a Company solely listing American Depositary Receipts, at least 15 calendar days prior to:

(A) establishing or materially amending a stock option plan, purchase plan or other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval; however the Exchange recognizes that when a Company makes an equity grant to induce an individual to accept employment, as permitted by the exception contained in IEX Rule 14.412(c)(4), it may not be practical to provide the advance notice otherwise required by this IEX Rule. Therefore, when a Company relies on that exception to make such an inducement grant without shareholder approval, it is sufficient to notify the Exchange about the grant and the use of the exception no later than the earlier of: (x) five calendar days after entering into the agreement to issue the securities; or (y) the date of the public announcement of the award required by IEX Rule 14.412(c)(4); or

(B) issuing securities that may potentially result in a change of control of the Company; or

(C) issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or

(D) issuing any common stock, or any security convertible into common stock in a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre- transaction basis.

The notifications required by this paragraph must be made on the Notification Form: Listing of Additional Shares and the Exchange encourages Companies to file this form as soon as practicable, even if all of the relevant terms are not yet known. The Exchange reviews these forms to determine compliance with applicable IEX Rules, including the shareholder approval requirements. Therefore, if a Company fails to file timely the form required by this paragraph, the Exchange may issue either a Public Reprimand Letter or a Delisting Determination (pursuant to IEX Rule 14.500).

(3) Record Keeping Change

(A) The Company shall file on a form designated by the Exchange notification of any change to its name, the par value or title of its security, its symbol, or a similar change, no later than 10 days after the change.

(B) The Company shall also notify the Exchange promptly in writing, absent any fees, of any change in the general character or nature of its business and any change in the address of its principal executive offices.

(4) Substitution Listing. The Company shall notify the Exchange of a Substitution Listing Event (other than a re-incorporation or a change to a Company's place of organization) no later than 15 calendar days prior to the implementation of such event by filing the appropriate form as designated by the Exchange. For a re-incorporation or change to a Company's place of organization, a Company shall notify the Exchange as soon as practicable after such event has been implemented by filing the appropriate form as designated by the Exchange.

(5) Transfer Agent, Registrar, ADR Bank Changes. The issuer of any class of securities listed on the Exchange, except for American Depositary Receipts, shall notify the Exchange promptly in writing of any change in the Company's transfer agent or registrar.

(6) Dividend Action or Stock Distribution. In the case of any dividend action or action relating to a stock distribution of a listed stock the Company shall, no later than 10 calendar days prior to the record date of such action:

(A) Notify the Exchange by filing the appropriate form as designated by the Exchange; and

(B) Provide public notice using a Regulation FD compliant method.

(C) Notice to the Exchange should be given as soon as possible after declaration and, in any event, no later than simultaneously with the public notice.

(f) Obligation to Pay Fees. The Company is required to pay all applicable fees as described in the Rule 14.600 Series.

• • • Supplementary Material • • •

.01 Disclosure of Material Information

(a) General Disclosure Requirements

Rule 14.207(b)(1) requires that, except in unusual circumstances, Exchange Companies disclose promptly to the public through any Regulation FD compliant method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Exchange Companies must notify the Exchange at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made during System Hours (as defined in IEX Rule 1.160(oo)). If the public release of the material information is made outside of System Hours (as defined in IEX Rule 1.160(oo)), Exchange Companies must notify the Exchange's Regulation Department of the material information at least ten minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, the Exchange Companies remain obligated to disclose this information to the Exchange upon request pursuant to IEX Rule 14.207(a).

Whenever unusual market activity takes place in an Exchange Company's securities, the Company normally should determine whether there is material information or news which should be disclosed. If rumors or unusual market activity indicate that information on impending developments has become known to the investing public, or if information from a source other than the Company becomes known to the investing public, a clear public announcement may be required as to the state of negotiations or development of Company plans. Such an announcement may be required, even though the Company may not have previously been advised of such information or the matter has not yet been presented to the Company's Board of Directors for consideration. In certain circumstances, it may also be appropriate to publicly deny false or inaccurate rumors, which are likely to have, or have had, an effect on the trading in its securities or would likely have an influence on investment decisions.

(b) Notification to the Exchange's Regulation Department

Companies must notify the Exchange's Regulation Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made during System Hours (as defined in IEX Rule 1.160(oo)). If the public release of the material information is made outside of System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify the Exchange's Regulation Department of the material information at least ten minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). Except in emergency situations, this notification must be made through the Exchange's electronic disclosure submission system available on the Exchange's Web site. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of computer or internet access; technical problems on the Exchange and a material development such that no draft disclosure document exists, but immediate notification to the Exchange's Regulation Department is important based on the material event.

If a Company repeatedly fails to either notify the Exchange at least ten minutes prior to the distribution of material news during System Hours (as defined in IEX Rule 1.160(oo)) or at least ten minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo))for material news distributed outside of System Hours (as defined in IEX Rule 1.160(oo)), or repeatedly fails to use the electronic disclosure submission system when the Exchange finds no emergency situation existed, the Exchange may issue a Public Reprimand Letter (as defined in IEX Rule 14.500(b)(5)) or, in extreme cases, a Staff Delisting Determination (as defined in IEX Rule 14.500(b)(7)). In determining whether to issue a Public Reprimand Letter, the Exchange will consider whether the Company has demonstrated a pattern of failures, whether the Company has been contacted concerning previous violations, and whether the Company has taken steps to assure that future violations will not occur.

(c) Trading Halts

A trading halt benefits current and potential Shareholders by halting all trading in any Exchange securities until there has been an opportunity for the information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it in making investment decisions. It also alerts the marketplace to the fact that news has been released.

The Exchange's Regulation Department monitors real time trading in all Exchange securities during the trading day for price and volume activity. In the event of certain price and volume movements, the Exchange's Regulation Department may contact a Company and its Market Makers in order to ascertain the cause of the unusual market activity. The Exchange's Regulation Department treats the information provided by the Company and other sources in a highly confidential manner, and uses it to assess market activity and assist in maintaining fair and orderly markets. An Exchange listing includes an obligation to disclose to the Exchange's Regulation Department information that the Company is not otherwise disclosing to the investing public or the financial community. On, occasion, changes in market activity prior to the Company's release of material information may indicate that the information has become known to the investing public. Changes in market activity also may occur when there is a release of material information by a source other than the Company, such as when an Exchange Company is subject to an unsolicited take-over bid by another company. Depending on the nature of the event and the Company's views regarding the business advisability of disclosing the information, the Exchange's Regulation Department may work with the Company to accomplish a timely release of the information. Furthermore, depending on the materiality of the information and the anticipated effect of the information on the price of the Company's securities, the Exchange's Regulation Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The institution of a temporary trading halt pending the release of information is not a reflection on the value of the securities halted. Such trading halts are instituted, among other reasons, to insure that material information is fairly and adequately disseminated to the investing public and the marketplace, and to provide investors with the opportunity to evaluate the information in making investment decisions. A trading halt normally lasts one half hour but may last longer if a determination is made that news has not been adequately disseminated or that the original or an additional basis under IEX Rule 11.280 exists for continuing the trading halt.

The Exchange's Regulation Department is required to keep non-public information, confidential and to use such information only for regulatory purposes.

Companies are required to notify the Exchange's Regulation Department of the release of material information included in the following list of events at least ten minutes prior to the release of such information to the public when the public release of the information is made during System Hours (as defined in IEX Rule 1.160(oo)):

(1) Financial-related disclosures, including quarterly or yearly earnings, earnings restatements, pre-announcements or "guidance."

(2) Corporate reorganizations and acquisitions, including mergers, tender offers, asset transactions and bankruptcies or receiverships.

(3) New products or discoveries, or developments regarding customers or suppliers (e.g., significant developments in clinical or customer trials, and receipt or cancellation of a material contract or order).

(4) Senior management changes of a material nature or a change in control.

(5) Resignation or termination of independent auditors, or withdrawal of a previously issued audit report.

(6) Events regarding the Company's securities — e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities.

(7) Significant legal or regulatory developments. Regulation FD

(8) Any event requiring the filing of a Form 8-K.

If the public release of the material information is made outside of System Hours (as defined in IEX Rule 1.160(oo)), Exchange Companies must notify the Exchange's Regulation Department of the material information at least 10 minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). It should also be noted that every development that might be reported to the Exchange in these areas would not necessarily be deemed to warrant a trading halt. In addition to the list of events set

forth above, the Exchange encourages Companies to avail themselves of the opportunity for advance notification to the Exchange's Regulation Department in situations where they believe, based upon their knowledge of the significance of the information, that a temporary trading halt may be necessary or appropriate.

.02 Use of Regulation FD Compliant Methods in the Disclosure of Material Information

Regardless of the method of disclosure that a Company chooses to use, Companies are required to notify the Exchange's Regulation Department of the release of material information that involves any of the events set forth above at least ten minutes prior to its release to the public when the public release of the information is made during System Hours (as defined in IEX Rule 1.160 (mm)). If the public release of the material information is made outside of System Hours (as defined in IEX Rule 1.160(oo)), Exchange Companies must notify IEX Regulation of the material information at least 10 minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). When a Company chooses to utilize a Regulation FD compliant method for disclosure other than a press release or Form 8-K, the Company will be required to provide prior notice to the Exchange's Regulation Department of: 1) the press release announcing the logistics of the future disclosure event; and 2) a descriptive summary of the material information to be announced during the disclosure event if the press release does not contain such a summary.

Depending on the materiality of the information and the anticipated effect of the information on the price of the Company's securities, the Exchange's Regulation Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The Exchange's Regulation Department will assess with Companies using methods of disclosure other than a press release or Form 8-K the timing within the disclosure event when the Company will cover the material information so that the halt can be commenced accordingly. Companies will be responsible for promptly alerting the Exchange's Regulation Department of any significant changes to the previously outlined disclosure timeline. Companies are reminded that the posting of information on the company's website may not by itself be considered a sufficient method of public disclosure under Regulation FD and SEC guidance and releases thereunder, and as a result, under IEX Rules.

Rule 14.208. Direct Registration Program

(a) Except as indicated in paragraph (c) below, all securities listed on the Exchange (except securities which are book-entry only) must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act.

(b) If a Company establishes or maintains a Direct Registration Program for its Shareholders, the Company shall, directly or through its transfer agent, participate in an electronic link with a clearing agency registered under Section 17A of the Act to facilitate the electronic transfer of securities held pursuant to such program.

(c) Exemption

A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer shall not be subject to this requirement if it submits to the Exchange a written statement from an independent counsel in such Company's home country certifying that a law or regulation in its home country prohibits compliance.

Rule 14.300. Listings Requirements

Rule 14.301. General Listing Requirements

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security on the Exchange. This section also contains the initial and continued listing requirements for Rights and Warrants, and Preferred and Secondary Classes of Common Stock on the Exchange.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of IEX Rule Series 14.200, including the disclosure obligations set forth in IEX Rule 14.207, the Corporate Governance requirements set forth in the IEX Rule Series 14.400, and pay any applicable fees in the IEX Rule Series 14.600. A Company's failure to

meet any of the continued listing requirements will be processed in accordance with the provisions set forth in IEX Rule Series 14.500.

For the requirements relating to other securities listed on the Exchange, see Chapter 16.

Rule 14.302. Definitions and Computations

(a) A Company is affiliated with another Company if that other Company, directly or indirectly though one or more intermediaries, controls, is controlled by, or is under common control of the Company. Control, for these purposes, means having the ability to exercise significant influence. Ability to exercise significant influence will be presumed to exist where the parent or affiliated Company directly or indirectly owns 20% or more of the other Company's voting securities, and also can be indicated by representation on the board of directors, participation in policy making processes, material intercompany transactions, interchange of managerial personnel, or technological dependency.

(b) In computing Cash Flows, IEX will rely on the net cash provided by operating activities, as reported in the Company's financial information as filed with the Commission in the Company's most recent periodic report and/or registration statement excluding changes in working capital or in operating assets and liabilities.

(c) In computing income from continuing operations before income taxes, IEX will rely on a Company's financial information as filed with the Commission in the Company's most recent periodic report and/or registration statement.

(d) In computing the number of Publicly Held Shares, IEX will not consider shares held by an officer, director or 10% or greater Shareholder of the Company.

(e) In the case of a Company listing in connection with its initial public offering, compliance with the market capitalization requirements of IEX Rules 14.310(b)(2), (3), and (4) will be based on the Company's market capitalization at the time of listing.

(f) A period of less than three months shall not be considered a Fiscal Year, even if reported as a stub period in the Company's publicly reported financial statements.

(g) If a Company has less than three years of publicly reported financial data, it may qualify under IEX Rule 14.310(b)(1) if it has (1) reported aggregate income from continuing operations before income taxes of at least $11 million, and (2) positive income from continuing operations before income taxes in each of the reported fiscal years.

(h) If a Company has less than three years of publicly reported financial data, it may qualify under IEX Rule 14.310(b)(2) if it has (1) reported aggregate cash flows of at least $27.5 million, and (2) positive cash flows in each of the reported fiscal years.

(i) In computing total assets and stockholders' equity for purposes of IEX Rule 14.310(b)(4), IEX will rely on a Company's most recent publicly reported financial statements subject to the adjustments described below:

(1) Application of Use of Proceeds - If a company is in registration with the SEC and is in the process of an equity offering, adjustments should be made to reflect the net proceeds of that offering, and the specified intended application(s) of such proceeds to:

(A) Pay off existing debt or other financial instruments: The adjustment will include elimination of the actual historical interest expense on debt or other financial instruments classified as liabilities under generally accepted accounting principles being retired with offering proceeds of all relevant periods or by conversion into common stock at the time of an initial public offering occurring in conjunction with the company's listing. If the event giving rise to the adjustment occurred during a time-period such that pro forma amounts are not set forth in the SEC registration statement (typically, the pro forma effect of repayment of debt will be provided in the current registration statement only with respect to the last

fiscal year plus any interim period in accordance with SEC rules), the company must prepare the relevant adjusted financial data to reflect the adjustment to its historical financial data, and its outside audit firm must provide a report of having applied agreed-upon procedures with respect to such adjustments. Such report must be prepared in accordance with the standards established by the American Institute of Certified Public Accountants.

(B) Fund an acquisition:

(i) The adjustments will include those applicable with respect to acquisition(s) to be funded with the proceeds. Adjustments will be made that are disclosed as such in accordance with Rule 3-05 "Financial Statements of Business Acquired or to be Acquired" and Article 11 of Regulation S-X. Adjustments will be made for all the relevant periods for those acquisitions for which historical financial information of the acquiree is required to be disclosed in the SEC registration statement; and

(ii) Adjustments applicable to any period for which pro forma numbers are not set forth in the registration statement shall be accompanied by the relevant adjusted financial data to combine the historical results of the acquiree (or relevant portion thereof) and acquiror, as disclosed in the company's SEC filing. Under SEC rules, the number of periods disclosed depends upon the significance level of the acquiree to the acquiror. The adjustments will include those necessary to reflect (a) the allocation of the purchase price, including adjusting assets and liabilities of the acquiree to fair value recognizing any intangibles (and associated amortization and depreciation), and (b) the effects of additional financing to complete the acquisition. The company must prepare the relevant adjusted financial data to reflect the adjustment to its historical financial data, and its outside audit firm must provide a report of having applied agreed-upon procedures with respect to such adjustments. Such report must be prepared in accordance with the standards established by the American Institute of Certified Public Accountants.

(2) Acquisitions and Dispositions - In instances other than acquisitions (and related dispositions of part of the acquiree) funded with the use of proceeds, adjustments will be made for those acquisitions and dispositions that are disclosed as such in a company's financial statements in accordance with Rule 3-05 "Financial Statements of Business Acquired or to be Acquired" and Article 11 of Regulation S-X. If the disclosure does not specify pre-tax earnings from continuing operations, minority interest, and equity in the earnings or losses of investees, then such data must be prepared by the company's outside audit firm for the Exchange's consideration. In this regard, the audit firm would have to issue an independent accountant's report on applying agreed-upon procedures in accordance with the standards established by the American Institute of Certified Public Accountants.

Rule 14.310. Initial Listing Requirements for Primary Equity Securities

(a) For initial listing on the Exchange, a Company's Primary Equity Security must meet the following requirements:

(1) Minimum bid price of at least $4 per share;

(2) At least 1,250,000 Publicly Held Shares;

(3) Shareholders:

(A) At least 450 round lot shareholders; or

(B) At least 2,200 total shareholders; or

(C) At least 550 total shareholders and an average monthly trading volume over the prior 12 months of at least 1,100,000 shares per month.

(4) Market Value of Publicly Held Shares requirement:

(A) At least $110 million; or

(B) At least $100 million and stockholders' equity of at least $110,000,000; or

(C) At least $45 million in the case of: (i) a Company listing in connection with its initial public offering; and (ii) a Company that is affiliated with, or a spin-off from, another Company listed on the Exchange.

(b) For initial listing on the Exchange, a Company must meet the requirements of subparagraphs (1), (2), (3) or (4) below:

(1) (i) Aggregate income from continuing operations before income taxes of at least $11 million over the prior three fiscal years, (ii) positive income from continuing operations before income taxes in each of the prior three fiscal years, and (iii) at least $2.2 million income from continuing operations before income taxes in each of the two most recent fiscal years; or

(2) (i) Aggregate cash flows of at least $27.5 million over the prior three fiscal years, (ii) positive cash flows in each of the prior three fiscal years, and (iii) average market capitalization of at least $550 million over the prior 12 months and total revenue of at least $110 million in the previous fiscal year; or

(3) (i) Average market capitalization of at least $850 million over the prior 12 months, and (ii) total revenue of at least $90 million in the previous fiscal year; or

(4) (i) Market capitalization of at least $160 million, (ii) total assets of at least $80 million, and (iii) stockholders' equity of at least $55 million.

(c) For initial listing on the Exchange, a Company must have four registered and active Market Makers unless it meets one of the following requirements below in which case it must have three registered and active Market Makers:

(1) (i) Annual income from continuing operations before income taxes of at least $1 million in the most recently completed fiscal year or in two of the three most recently completed fiscal years; (ii) stockholders' equity of at least $15 million; and (iii) Market Value Of Publicly Held Shares of at least $8 million; or

(2) (i) Stockholders' equity of at least $30 million; (ii) two-year operating history; and (iii) Market Value Of Publicly Held Shares of at least $18 million.

(d) However, if a Company is a closed end management investment company registered under the Investment Company Act of 1940, it must meet the requirements of IEX Rules 14.310(a)(1) – (3) and 14.310(c) but not the requirements of IEX Rule 14.310(b). In lieu of meeting the requirements of 14.310(b) a closed end management investment company must have a Market Value of Publicly Held Shares of at least $70 million.

(1) A closed end management investment company that is listed concurrently with other closed end management investment companies that have a common investment adviser or whose investment advisers are "affiliated persons" as defined in the Investment Company Act of 1940 (a "Fund Family") shall be eligible if:

(A) The total Market Value Of Publicly Held Shares in such Fund Family is at least $220 million;

(B) The average Market Value Of Publicly Held Shares for all funds in the Fund Family is at least $50 million; and

(C) Each fund in the Fund Family has a Market Value of Publicly Held Shares of at least $35 million.

(e) A business development company as defined in Section 2 of the Investment Company Act of 1940 must meet the applicable requirements of IEX Rules 14.310(a) and 14.310(c) but not the requirements of IEX Rule 14.310(b). In lieu of

meeting the requirements of IEX Rule 14.310(b) a business development company must have a Market Value of Listed Securities of at least $80 million.

Rule 14.311. Initial Listing Requirements for Rights and Warrants

For initial listing, the rights or warrants must meet all the requirements below:

(a) At least 450,000 rights or warrants issued;

(b) The underlying security must be listed on the Exchange or be a Covered Security

(c) There must be at least three registered and active Market Makers; and

(d) In the case of warrants, there must be at least 400 Round Lot Holders (except that this requirement will not apply to the listing of warrants in connection with the initial firm commitment underwritten public offering of such warrants).

Rule 14.315. Initial Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

(a) When the Primary Equity Security of the Company is listed on the Exchange or is a Covered Security, the preferred stock or secondary class of common stock must meet all of the requirements set forth in (1) through (5) below.

(1) At least 200,000 Publicly Held Shares;

(2) Market Value of Publicly Held Shares of at least $4 million;

(3) Minimum bid price of at least $4 per share;

(4) At least 100 Round Lot Holders; and

(5) At least three registered and active Market Makers.

(b) When the Company's Primary Equity Security is not listed on the Exchange or a Covered Security, the preferred stock and/or secondary class of common stock may be listed on the Exchange so long as it satisfies the initial listing criteria for Primary Equity Securities set forth in IEX Rule 14.310.

Rule 14.316. Listing Requirements for Securities Not Otherwise Specified (Other Securities)

(a) Initial Listing Requirements

(1) IEX will consider listing any security not otherwise covered by the criteria in the Rule 14.300 Series, provided the instrument is otherwise suited to trade through the facilities of IEX. Such securities will be evaluated for listing against the following criteria:

(A) The Company shall have assets in excess of $100 million and stockholders' equity of at least $10 million. In the case of a Company which is unable to satisfy the income criteria set forth in IEX Rule 14.310(b)(1), IEX generally will require the Company to have the following:

(i) assets in excess of $200 million and stockholders' equity of at least $10 million; or

(ii) assets in excess of $100 million and stockholders' equity of at least $20 million.

(B) For equity securities, there must be:

(i) a minimum of 400 holders of the security; and

(ii) a minimum public distribution of 1,000,000 trading units.

However, if the instrument is redeemable at the option of the holders thereof on at least a weekly basis, these requirements shall not apply.

(C) The aggregate market value/principal amount of the security shall be at least $4 million.

(2) Issuers of securities listed pursuant to this IEX Rule 14.316 must be listed on IEX, the NASDAQ Global Market, NASDAQ Global Select Market or the New York Stock Exchange (NYSE) or be an affiliate of a Company listed on IEX, the NASDAQ Global Market, NASDAQ Global Select Market or the NYSE; provided, however, that the provisions of IEX Rule 14.300 will be applied to sovereign issuers of "other" securities on a case-by-case basis.

(3) Prior to the commencement of trading of securities listed pursuant to this paragraph, IEX will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to the membership providing guidance regarding IEX member firm compliance responsibilities and requirements when handling transactions in such securities.

(b) Continued Listing Requirements

Except as otherwise provided in these rules, the aggregate market value or principal amount of publicly-held units must be at least $1 million.

Rule 14.320. Continued Listing Requirements and Standards for Primary Equity Securities

A Company that has its Primary Equity Security listed on the Exchange must continue to meet all of the requirements set forth in paragraph (a) below and at least one of the Standards in paragraph (b) below. Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in IEX Rule 14.500.

(a) Continued Listing Requirements for Primary Equity Securities:

(1) Minimum bid price of $1 per share ; and

(2) At least 400 Total Holders.

(b) Continued Listing Standards for Primary Equity Securities:

(1) Equity Standard

(A) Stockholders' equity of at least $10 million;

(B) At least 750,000 Publicly Held Shares;

(C) Market Value of Publicly Held Shares of at least $5 million; and

(D) At least two registered and active Market Makers

(2) Market Value Standard

(A) Market Value of Listed Securities of at least $50 million;

(B) At least 1,100,000 Publicly Held Shares;

(C) Market Value of Publicly Held Shares of at least $15 million; and

(D) At least four registered and active Market Makers

(3) Total Assets/Total Revenue Standard

(A) Total assets and total revenue of at least $50 million each for the most recently completed fiscal year or two of the three most recently completed fiscal years;

(B) At least 1,100,000 Publicly Held Shares;

(C) Market Value of Publicly Held Shares of at least $15 million; and

(D) At least four registered and active Market Makers

Rule 14.330. Continued Listing Requirements for Rights and Warrants

For continued listing, the rights or warrants must meet all the requirements below:

(a) The underlying security must continue to be listed on the Exchange or be a Covered Security; and

(b) There must be at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

Rule 14.340. Continued Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

(a) When the Company's Primary Equity Security of the Company is listed on the Exchange or is a Covered Security, the preferred stock or secondary class of common stock must meet all of the requirements set forth in (1) through (5) below.

(1) At least 100,000 Publicly Held Shares;

(2) A Market Value of Publicly Held Shares of at least $1,000,000;

(3) Minimum bid price of at least $1 per share;

(4) At least 100 Public Holders; and

(5) At least two registered and active Market Makers

(b) When the Primary Equity Security of the Company is not listed on the Exchange or a Covered Security, the preferred stock and/or secondary class of common stock may continue to be listed on the Exchange so long as it satisfies the continued listing criteria for Primary Equity Securities set forth in IEX Rule 14.320.

Rule 14.400. Corporate Governance Requirements

Rule 14.401. Background

(a) In addition to meeting applicable quantitative requirements in IEX Rule Series 14.300, Companies applying to list and listed on the Exchange must meet the qualitative requirements outlined in this IEX Rule Series 14.400. These requirements include rules relating to a Company's board of directors, including audit committees and Independent Director oversight of executive compensation and the director nomination process; code of conduct; shareholder meetings, including proxy solicitation and quorum; review of related party transactions; and shareholder approval, including voting rights. Exemptions to these rules are set forth in IEX Rule 14.407 below.

(b) The Exchange maintains a website that provides guidance on the applicability of the corporate governance requirements by FAQs and published summaries of anonymous versions of previously issued staff interpretative letters. Companies are encouraged to contact IEX Regulation to discuss any complex issues or transactions. Companies can also submit a request for a written interpretation pursuant to paragraph (c) below.

(c) Listed companies may request from IEX a written interpretation of the Rules contained in Chapter 14. A response to such request will generally be provided within one-week following receipt by IEX Regulation of all information necessary to respond to the request.

Rule 14.405. Board of Directors and Committees

(a) Definitions

(1) "Executive Officer" means those officers covered in Rule 16a-1(f) under the Act.

(2) "Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this IEX Rule, "Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home. The following persons shall not be considered independent:

(A) a director who is, or at any time during the past three years was, employed by the Company;

(B) a director who accepted or who has a Family Member who accepted any compensation from the Company in excess of $120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

(i) compensation for board or board committee service;

(ii) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Company; or

(iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

Provided, however, that in addition to the requirements contained in this paragraph (B), audit committee members are also subject to additional, more stringent requirements under IEX Rule 14.405(c)(2).

(C) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an Executive Officer;

(D) a director who is, or has a Family Member who is, a partner in, or a controlling Shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:

(i) payments arising solely from investments in the Company's securities; or

(ii) payments under non-discretionary charitable contribution matching programs.

(E) a director of the Company who is, or has a Family Member who is, employed as an Executive Officer of another entity where at any time during the past three years any of the Executive Officers of the Company serve on the compensation committee of such other entity; or

(F) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

(G) in the case of an investment company, in lieu of paragraphs (A)-(F), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee.

• • • Supplementary Material • • •

.01 Definition of Independence

It is important for investors to have confidence that individuals serving as Independent Directors do not have a relationship with the listed Company that would impair their independence. The board has a responsibility to make an affirmative determination that no such relationships exist through the application of IEX Rule 14.405(a). IEX Rule 14.405(a) also provides a list of certain relationships that preclude a board finding of independence. These objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration. Because IEX does not believe that ownership of Company stock by itself would preclude a board finding of independence, it is not included in the aforementioned objective factors. It should be noted that there are additional, more stringent requirements that apply to directors serving on audit committees, as specified in IEX Rule 14.405(c).

The Rule's reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements). The reference to Executive Officer means those officers covered in Rule 16a-1(f) under the Act. In the context of the definition of Family Member under IEX Rule 14.405(a)(2), the reference to marriage is intended to capture relationships specified in the Rule (parents, children and siblings) that arise as a result of marriage, such as "in-law" relationships.

The three year look-back periods referenced in paragraphs (A), (C), (E) and (F) of the Rule commence on the date the relationship ceases. For example, a director employed by the Company is not independent until three years after such employment terminates.

For purposes of paragraph (A) of the Rule, employment by a director as an Executive Officer on an interim basis shall not disqualify that director from being considered independent following such employment, provided the interim employment did not last longer than one year. A director would not be considered independent while serving as an interim officer. Similarly, for purposes of paragraph (B) of the Rule, compensation received by a director for former service as an interim Executive Officer need not be considered as compensation in determining independence after such service, provided such interim employment did not last longer than one year. Nonetheless, the Company's board of directors still must consider whether such former employment and any compensation received would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. In addition, if the director participated in the preparation of the Company's financial statements while serving as an interim Executive Officer IEX Rule 14.405(c)(2)(A)(iii) would preclude service on the audit committee for three years.

Paragraph (B) of the Rule is generally intended to capture situations where a compensation is made directly to (or for the benefit of) the director or a Family Member of the director. For example, consulting or personal service contracts with a director or Family Member of the director would be analyzed under paragraph (B) of the Rule. In addition, political contributions to the campaign of a director or a Family Member of the director would be considered indirect compensation under paragraph (B). Non-preferential payments made in the ordinary course of providing business services (such as payments of interest or proceeds related to banking services or loans by a Company that is a financial institution or payment of claims on a policy by a Company that is an insurance company), payments arising solely from investments in the Company's securities and loans permitted under Section 13(k) of the Act will not preclude a finding of director independence as long as the payments are non-compensatory in nature. Depending on the circumstances, a loan or payment could be compensatory if, for example, it is not on terms generally available to the public.

Paragraph (D) of the Rule is generally intended to capture payments to an entity with which the director or Family Member of the director is affiliated by serving as a partner, controlling Shareholder or Executive Officer of such entity. Under exceptional circumstances, such as where a director has direct, significant business holdings, it may be appropriate to apply the corporate measurements in paragraph (D), rather than the individual measurements of paragraph (B). Issuers should contact IEX Regulation if they wish to apply the Rule in this manner. The reference to a partner in paragraph (D) is not intended to include limited partners. It should be noted that the independence requirements of paragraph (D) of the Rule are broader than Rule 10A-3(e)(8) under the Act.

Under paragraph (D), a director who is, or who has a Family Member who is, an Executive Officer of a charitable organization may not be considered independent if the Company makes payments to the charity in excess of the greater of 5% of the charity's revenues or $200,000. However, IEX encourages Companies to consider other situations where a director or their Family Member and the Company each have a relationship with the same charity when assessing director independence.

For purposes of determining whether a lawyer is eligible to serve on an audit committee, Rule 10A-3 under the Act generally provides that any partner in a law firm that receives payments from the issuer is ineligible to serve on that issuer's audit committee. In determining whether a director may be considered independent for purposes other than the audit committee, payments to a law firm

would generally be considered under IEX Rule 14.405(a)(2), which looks to whether the payment exceeds the greater of 5% of the recipient's gross revenues or $200,000; however, if the firm is a sole proprietorship, IEX Rule 14.405(a)(2)(B), which looks to whether the payment exceeds $120,000, applies.

Paragraph (G) of the Rule provides a different measurement for independence for investment companies in order to harmonize with the Investment Company Act of 1940. In particular, in lieu of paragraphs (A)-(F), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee, shall not be considered independent.

(b) Independent Directors

(1) Majority Independent Board

A majority of the board of directors must be comprised of Independent Directors as defined in IEX Rule 14.405(a)(2). The Company, other than a Foreign Private Issuer, must comply with the disclosure requirements set forth in Item 407(a) of Regulation S-K. A Foreign Private Issuer must disclose in its next annual report (e.g., Form 20-F or 40-F) those directors that the board of directors has determined to be independent under IEX Rule 14.405(a)(2).

(A) Cure Period for Majority Independent Board

If a Company fails to comply with this requirement due to one vacancy, or one director ceases to be independent due to circumstances beyond their reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision shall provide notice to IEX immediately upon learning of the event or circumstance that caused the noncompliance.

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.02 Majority Independent Board

Independent Directors (as defined in IEX Rule 14.405(a)(2)) play an important role in assuring investor confidence. Through the exercise of independent judgment, they act on behalf of investors to maximize shareholder value in the Companies they oversee and guard against conflicts of interest. Requiring that the board be comprised of a majority of Independent Directors empowers such directors to carry out more effectively these responsibilities.

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(2) Executive Sessions

Independent Directors must have regularly scheduled meetings at which only Independent Directors are present ("executive sessions").

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.03 Executive Sessions of Independent Directors

Regularly scheduled executive sessions encourage and enhance communication among Independent Directors. It is contemplated that executive sessions will occur at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled board meetings.

(c) Audit Committee Requirements

(1) Audit Committee Charter

Each Company must certify that it has adopted a formal written audit committee charter and that the audit committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(A) the scope of the audit committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements;

(B) the audit committee's responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor;

(C) the committee's purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; and

(D) the specific audit committee responsibilities and authority set forth in IEX Rule 14.405(c)(3).

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.04 Audit Committee Charter

Each Company is required to adopt a formal written charter that specifies the scope of its responsibilities and the means by which it carries out those responsibilities; the outside auditor's accountability to the audit committee; and the audit committee's responsibility to ensure the independence of the outside auditor. Consistent with this, the charter must specify all audit committee responsibilities set forth in Rule 10A-3(b)(2), (3), (4), and (5) under the Act. Rule 10A -3(b)(3)(ii) under the Act requires that each audit committee must establish procedures for the confidential, anonymous submission by employees of the listed Company of concerns regarding questionable accounting or auditing matters. The rights and responsibilities as articulated in the audit committee charter empower the audit committee and enhance its effectiveness in carrying out its responsibilities.

IEX Rule 14.405(c)(3) imposes additional requirements for investment company audit committees that must also be set forth in audit committee charters for these Companies.

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(2) Audit Committee Composition

(A) Each Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must: (i) be an Independent Director as defined under IEX Rule 14.405(a)(2); (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act); (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including

a Company's balance sheet, income statement, and cash flow statement. Additionally, each Company must certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

(B) Non-Independent Director for Exceptional and Limited Circumstances

Notwithstanding paragraph (2)(A)(i), one director who: (i) is not an Independent Director as defined in IEX Rule 14.405(a)(2); (ii) meets the criteria set forth in Section 10A(m)(3) under the Act and the rules thereunder; and (iii) is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the audit committee, if the board, under exceptional and limited circumstances, determines that membership on the committee by the individual is required by the best interests of the Company and its Shareholders. A Company, other than a Foreign Private Issuer, that relies on this exception must comply with the disclosure requirements set forth in Item 407(d)(2) of Regulation S-K. A Foreign Private Issuer that relies on this exception must disclose in its next annual report (e.g., Form 20-F or 40-F) the nature of the relationship that makes the individual not independent and the reasons for the board's determination. A member appointed under this exception may not serve longer than two years and may not chair the audit committee.

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.05 Audit Committee Composition

Audit committees are required to have a minimum of three members and be comprised only of Independent Directors. In addition to satisfying the Independent Director requirements under IEX Rule 14.405(a)(2), audit committee members must meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act): they must not accept any consulting, advisory, or other compensatory fee from the Company other than for board service, and they must not be an affiliated person of the Company. As described in Rule 10A-3(d)(1) and (2), a Company must disclose reliance on certain exceptions from Rule 10A-3 and disclose an assessment of whether, and if so, how, such reliance would materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of Rule 10A-3. It is recommended also that a Company disclose in its annual proxy (or, if the Company does not file a proxy, in its Form 10-K or 20-F) if any director is deemed eligible to serve on the audit committee but falls outside the safe harbor provisions of Rule 10A-3(e)(1)(ii) under the Act. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) and (iii) of Regulation S-K is presumed to qualify as a financially sophisticated audit committee member under IEX Rule 14.405(c)(2)(A).

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(3) Audit Committee Responsibilities and Authority

The audit committee must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4), and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to: (i) registered public accounting firms, (ii) complaints relating to accounting, internal accounting controls or auditing matters, (iii) authority to engage advisers, and (iv) funding as determined by the audit committee. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

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.06 The Audit Committee Responsibilities and Authority

Audit committees must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4), and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to registered public accounting firms; complaints relating to accounting; internal accounting controls or auditing matters; authority to engage advisers; and funding. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

(4) Cure Periods for Audit Committee

(A) If a Company fails to comply with the audit committee composition requirement under Rule 10A-3(b)(1) under the Act and IEX Rule 14.405(c)(2)(A) because an audit committee member ceases to be independent for reasons outside the member's reasonable control, the audit committee member may remain on the audit committee until the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. A Company relying on this provision must provide notice to IEX immediately upon learning of the event or circumstance that caused the noncompliance.

(B) If a Company fails to comply with the audit committee composition requirement under IEX Rule 14.405(c)(2)(A) due to one vacancy on the audit committee, and the cure period in paragraph (A) is not otherwise being relied upon for another member, the Company will have until the earlier of the next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the vacancy, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision must provide notice to IEX immediately upon learning of the event or circumstance that caused the noncompliance.

(5) Exception

At any time when a Company has a class of common equity securities (or similar securities) that is listed on another national securities exchange or national securities association subject to the requirements of Rule 10A-3 under the Act, the listing of classes of securities of a direct or indirect consolidated subsidiary or an at least 50% beneficially owned subsidiary of the Company (except classes of equity securities, other than non-convertible, non-participating preferred securities, of such subsidiary) shall not be subject to the requirements of IEX Rule 14.405(c).

(d) Compensation Committee Requirements

(1) Compensation Committee Charter

Each Company must certify that it has adopted a formal written compensation committee charter and that the compensation committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(A) the scope of the compensation committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements;

(B) the compensation committee's responsibility for determining, or recommending to the board for determination, the compensation of the chief executive officer and all other Executive Officers of the Company;

(C) that the chief executive officer may not be present during voting or deliberations on his or her compensation; and

(D) the specific compensation committee responsibilities and authority set forth in IEX Rule 14.405(d)(3).

(2) Compensation Committee Composition

(A) Each Company must have, and certify that it has and will continue to have, a compensation committee of at least two members. Each committee member must be an Independent Director as defined under IEX Rule 14.405(a)(2). In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of a board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

(i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

(ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

(B) Non-Independent Committee Member under Exceptional and Limited Circumstances

Notwithstanding IEX Rule 14.405(d)(2)(A) above, if the compensation committee is comprised of at least three members, one director who does not meet the requirements of IEX Rule 14.405(d)(2)(A) and is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the compensation committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for the next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(3) Compensation Committee Responsibilities and Authority

As required by Rule 10C-1(b)(2), (3) and (4)(i)-(vi) under the Act, the compensation committee must have the following specific responsibilities and authority.

(A) The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.

(B) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee.

(C) The Company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the compensation committee.

(D) The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors:

(i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

(ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

(iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

(iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;

(v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

Nothing in this IEX Rule shall be construed: (i) to require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the compensation committee; or (ii) to affect the ability or obligation of a compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee.

The compensation committee is required to conduct the independence assessment outlined in this IEX Rule with respect to any compensation consultant, legal counsel or other adviser that provides advice to the compensation committee, other than in-house legal counsel. However, nothing in this IEX Rule requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the compensation committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. Compensation committees may select, or receive advice from, any compensation adviser they prefer, including ones that are not independent, after considering the six independence factors outlined above.

For purposes of this IEX Rule, the compensation committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

(4) Cure Period for Compensation Committee

If a Company fails to comply with the compensation committee composition requirement under IEX Rule 14.405(d)(2)(A) due to one vacancy, or one compensation committee member ceases to be independent due to circumstances beyond the member's reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company

relying on this provision shall provide notice to IEX immediately upon learning of the event or circumstance that caused the noncompliance.

(5) Smaller Reporting Companies

A Smaller Reporting Company, as defined in Rule 12b-2 under the Act, is not subject to the requirements of IEX Rule 14.405(d), except that a Smaller Reporting Company must have, and certify that it has and will continue to have, a compensation committee of at least two members, each of whom must be an Independent Director as defined under IEX Rule 14.405(a)(2). A Smaller Reporting Company may rely on the exception in IEX Rule 14.405(d)(2)(B) and the cure period in IEX Rule 14.405(d)(4). In addition, a Smaller Reporting Company must certify that it has adopted a formal written compensation committee charter or board resolution that specifies the content set forth in IEX Rule 14.405(d)(1)(A) through (C). A Smaller Reporting Company does not need to include in its formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in IEX Rule 14.405(d)(3).

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.07 Independent Director Oversight of Executive Compensation

Independent oversight of executive officer compensation helps assure that appropriate incentives are in place, consistent with the board's responsibility to act in the best interests of the corporation. Compensation committees are required to have a minimum of two members and be comprised only of Independent Directors as defined under IEX Rule 14.405(a)(2).

In addition, IEX Rule 14.405(d)(2)(A) includes an additional independence test for compensation committee members. When considering the sources of a director's compensation for this purpose, the board should consider whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about the Company's executive compensation. Similarly, when considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining independence for purposes of compensation committee service, the board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director's ability to make independent judgments about the Company's executive compensation. In that regard, while a board may conclude differently with respect to individual facts and circumstances, IEX does not believe that ownership of Company stock by itself, or possession of a controlling interest through ownership of Company stock by itself, precludes a board finding that it is appropriate for a director to serve on the compensation committee. In fact, it may be appropriate for certain affiliates, such as representatives of significant stockholders, to serve on compensation committees since their interests are likely aligned with those of other stockholders in seeking an appropriate executive compensation program.

For purposes of the additional independence test for compensation committee members described in IEX Rule 14.405(d)(2)(A), any reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements).

A Smaller Reporting Company must have a compensation committee with a minimum of two members. Each compensation committee member must be an Independent Director as defined under IEX Rule 14.405(a)(2). In addition, each Smaller Reporting Company must have a formal written compensation committee charter or board resolution that specifies the committee's responsibilities and authority set forth in IEX Rule 14.405(d)(1)(A)-(C). However, in recognition of the fact that Smaller Reporting Companies may have fewer resources than larger Companies, Smaller Reporting Companies are not required to adhere to the additional compensation committee eligibility requirements in IEX Rule 14.405(d)(2)(A), or to incorporate into their formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in IEX Rule 14.405(d)(3).

(e) Independent Director Oversight of Director Nominations

(1) Director nominees must either be selected, or recommended for the Board's selection, either by:

(A) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors participate, or

(B) a nominations committee comprised solely of Independent Directors.

(2) Each Company must certify that it has adopted a formal written charter or board resolution, as applicable, addressing the nominations process and such related matters as may be required under the federal securities laws.

(3) Non-Independent Committee Member under Exceptional and Limited Circumstances

Notwithstanding IEX Rule 14.405(e)(1)(B) above, if the nominations committee is comprised of at least three members, one director, who is not an Independent Director as defined in IEX Rule 14.405(a)(2) and is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the nominations committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(4) Independent Director oversight of director nominations shall not apply in cases where the right to nominate a director legally belongs to a third party. However, this does not relieve a Company's obligation to comply with the committee composition requirements under IEX Rules 14.405(c), (d), and (e).

(5) This IEX Rule 14.405(e) is not applicable to a Company if the Company is subject to a binding obligation that requires a director nomination structure inconsistent with this IEX Rule and such obligation pre-dates the approval date of this IEX Rule.

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.08 Independent Director Oversight of Director Nominations

Independent Director oversight of nominations enhances investor confidence in the selection of well-qualified director nominees, as well as independent nominees as required by the rules. This IEX Rule is also intended to provide flexibility for a Company to choose an appropriate board structure and reduce resource burdens, while ensuring that Independent Directors approve all nominations.

This IEX Rule does not apply in cases where the right to nominate a director legally belongs to a third party. For example, investors may negotiate the right to nominate directors in connection with an investment in the Company, holders of preferred stock may be permitted to nominate or appoint directors upon certain defaults, or the Company may be a party to a shareholder's agreement that allocates the right to nominate some directors. Because the right to nominate directors in these cases does not reside with the Company, Independent Director approval would not be required. This IEX Rule is not applicable if the Company is subject to a binding obligation that requires a director nomination structure inconsistent with the rule and such obligation pre-dates the approval date of this IEX Rule.

Rule 14.406. Code of Conduct

Each Company shall adopt a code of conduct applicable to all directors, officers and employees, which shall be publicly available. A code of conduct satisfying this IEX Rule must comply with the definition of a "code of ethics" set out in Section 406(c) of the Sarbanes-Oxley Act of 2002 ("the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. See 17 C.F.R. 228.406 and 17 C.F.R. 229.406. In addition, the code must provide for an enforcement mechanism. Any waivers of the code for directors or Executive Officers must be approved by the Board. Companies, other than Foreign Private Issuers, shall disclose such waivers within four business days by filing a current report on Form 8-K with the Commission or, in cases where a Form 8-K is not required, by distributing a press release. Foreign Private Issuers shall disclose such waivers either by distributing a press release or including disclosure in a Form 6-K or in the next Form 20-F or 40-F. Alternatively, a Company, including a Foreign Private Issuer, may disclose waivers on the Company's website in a manner that satisfies the requirements of Item 5.05(c) of Form 8-K.

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.01 Code of Conduct

Ethical behavior is required and expected of every corporate director, officer and employee whether or not a formal code of conduct exists. The requirement of a publicly available code of conduct applicable to all directors, officers and employees of a Company is intended to demonstrate to investors that the board and management of IEX Companies have carefully considered the requirement of ethical dealing and have put in place a system to ensure that they become aware of and take prompt action against any questionable behavior. For Company personnel, a code of conduct with enforcement provisions provides assurance that reporting of questionable behavior is protected and encouraged, and fosters an atmosphere of self-awareness and prudent conduct.

IEX Rule 14.406 requires Companies to adopt a code of conduct complying with the definition of a "code of ethics" under Section 406(c) of the Sarbanes-Oxley Act of 2002 ("the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. See 17 C.F.R. 228.406 and 17 C.F.R. 229.406. Thus, the code must include such standards as are reasonably necessary to promote the ethical handling of conflicts of interest, full and fair disclosure, and compliance with laws, rules and regulations, as specified by the Sarbanes-Oxley Act. However, the code of conduct required by Rule 14.406 must apply to all directors, officers, and employees. Companies can satisfy this obligation by adopting one or more codes of conduct, such that all directors, officers and employees are subject to a code that satisfies the definition of a "code of ethics."

As the Sarbanes-Oxley Act recognizes, investors are harmed when the real or perceived private interest of a director, officer or employee is in conflict with the interests of the Company, as when the individual receives improper personal benefits as a result of his or her position with the Company, or when the individual has other duties, responsibilities or obligations that run counter to his or her duty to the Company. Also, the disclosures a Company makes to the Commission are the essential source of information about the Company for regulators and investors — there can be no question about the duty to make them fairly, accurately and timely. Finally, illegal action must be dealt with swiftly and the violators reported to the appropriate authorities. Each code of conduct must require that any waiver of the code for Executive Officers or directors may be made only by the board and must be disclosed to Shareholders, along with the reasons for the waiver. All Companies, other than Foreign Private Issuers, must disclose such waivers within four business days by filing a current report on Form 8-K with the Commission, providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K, or, in cases where a Form 8-K is not required, by distributing a press release. Foreign Private Issuers must disclose such waivers either by providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K, by including disclosure in a Form 6-K or in the next Form 20-F or 40-F or by distributing a press release. This disclosure requirement provides investors the comfort that waivers are not granted except where they are truly necessary and warranted, and that they are limited and qualified so as to protect the Company and its Shareholders to the greatest extent possible.

Each code of conduct must also contain an enforcement mechanism that ensures prompt and consistent enforcement of the code, protection for persons reporting questionable behavior, clear and objective standards for compliance, and a fair process by which to determine violations.

Rule 14.407. Exemptions from Certain Corporate Governance Requirements

This IEX Rule provides the exemptions from the corporate governance rules afforded to certain types of Companies, and sets forth the phase-in schedules for initial public offerings, Companies emerging from bankruptcy, Companies transferring from other markets and Companies ceasing to be Smaller Reporting Companies. This IEX Rule also describes the applicability of the corporate governance rules to Controlled Companies and sets forth the phase-in schedule afforded to Companies ceasing to be Controlled Companies.

(a) Exemptions to the Corporate Governance Requirements

(1) Asset-backed Issuers and Other Passive Issuers

The following are exempt from the requirements related to Majority Independent Board (IEX Rule 14.405(b)), Audit Committee (IEX Rule 14.405(c)), Compensation Committee (IEX Rule 14.405(d)), Director Nominations (IEX Rule 14.405(e)), the Controlled Company Exemption (IEX Rule 14.407(c)(2)) and Code of Conduct (IEX Rule 14.406):

(A) asset-backed issuers; and

(B) issuers, such as unit investment trusts, including Portfolio Depository Receipts, which are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or other assets on behalf of or for the benefit of the holders of the listed securities.

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.01 Asset-backed Issuers Supplemental

Because of their unique attributes, IEX Rules 14.405 (b), (c), (d), (e), and 14.406 do not apply to asset-backed issuers and issuers, such as unit investment trusts, that are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or other assets on behalf of or for the benefit of the holders of the listed securities.

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(2) Cooperatives

Cooperative entities, such as agricultural cooperatives, that are structured to comply with relevant state law and federal tax law and that do not have a publicly traded class of common stock are exempt from IEX Rules 14.405 (b), (d), (e), and 14.407(c)(2). However, such entities must comply with all federal securities laws, including without limitation those rules required by Section 10A(m) of the Act and Rule 10A-3 thereunder.

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.02 Cooperatives Supplemental

Certain member-owned cooperatives that list their preferred stock are required to have their common stock owned by their members. Because of their unique structure and the fact that they do not have a publicly traded class of common stock, such entities are exempt from IEX Rule 14.405(b), (d), and (e).

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(3) Foreign Private Issuers

(A) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of the IEX Rule 14.400 Series and the requirement to distribute annual and interim reports set forth in IEX Rule 14.207(d), provided, however, that such a Company shall: comply with the Notification of Noncompliance requirement (IEX Rule 14.410), the Voting Rights requirement (IEX Rule 14.413), have an audit committee that satisfies IEX Rule 14.405(c)(3), and ensure that such audit committee's members meet the independence requirement in IEX Rule 14.405(c)(2)(A)(ii). Except as provided in this paragraph, a Foreign Private Issuer must comply with the requirements of Chapter 14.

(B) Disclosure Requirements

(i) A Foreign Private Issuer that follows a home country practice in lieu of one or more of the IEX Listing Rules shall disclose in its annual reports filed with the Commission each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements. Alternatively, a Foreign Private Issuer that is not required to file its annual report with the Commission on Form 20-F may make this disclosure only on its website. A Foreign Private Issuer that follows a home country practice in lieu of the requirement in IEX Rule 14.405(d)(2) to have an independent compensation committee must disclose in its annual reports filed with the Commission the reasons why it does not have such an independent committee.

(ii) A Foreign Private Issuer making its initial public offering or first U.S. listing on IEX shall disclose in its registration statement or on its website each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements.

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.03 Foreign Private Issuer Supplemental

A Foreign Private Issuer (as defined in IEX Rule 14.002) listed on IEX may follow the practice in such Company's home country (as defined in General Instruction F of Form 20-F) in lieu of the provisions of the IEX Rule Series 14.400 and IEX Rule 14.207(d), subject to several important exceptions. First, such an issuer shall comply with IEX Rule 14.410 (Notification of Noncompliance). Second, such a Company shall have an audit committee that satisfies IEX Rule 14.405(c)(3). Third, members of such audit committee shall meet the criteria for independence referenced in IEX Rule 14.405(c)(2)(A)(ii) (the criteria set forth in Rule 10A-3(b)(1) under the Act, subject to the exemptions provided in Rule 10A-3(c) under the Act). Finally, a Foreign Private Issuer that elects to follow home country practice in lieu of a requirement of IEX Rules 14.400 or 14.207(d) shall submit to IEX a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws. In the case of new listings, this certification is required at the time of listing. For existing Companies, the certification is required at the time the Company seeks to adopt its first noncompliant practice. In the interest of transparency, the rule requires a Foreign Private Issuer to make appropriate disclosures in the Company's annual filings with the Commission (typically Form 20-F or 40-F), and at the time of the Company's original listing in the United States, if that listing is on IEX, in its registration statement (typically Form F-1, 20-F, or 40-F); alternatively, a Company that is not required to file an annual report on Form 20-F may provide these disclosures in English on its website in addition to, or instead of, providing these disclosures on its registration statement or annual report. The Company shall disclose each requirement that it does not follow and include a brief statement of the home country practice the Company follows in lieu of these corporate governance requirement(s). If the disclosure is only available on the website, the annual report and registration statement should so state and provide the web address at which the information may be obtained. Companies that must file annual reports on Form 20-F are encouraged to provide these disclosures on their websites, in addition to the required Form 20-F disclosures, to provide maximum transparency about their practices.

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(4) Limited Partnerships

A limited partnership is not subject to the requirements of the IEX Rule Series 14.400, except as provided in this IEX Rule 14.407(a)(4). A limited partnership may request a written interpretation pursuant to IEX Rule 14.401(c).

(A) No provision of this IEX Rule shall be construed to require any foreign Company that is a partnership to do any act that is contrary to a law, rule or regulation of any public authority exercising jurisdiction over such Company or that is contrary to generally accepted business practices in the Company's country of domicile. IEX shall have the ability to provide exemptions from applicability of these provisions as may be necessary or appropriate to carry out this intent.

(B) Corporate General Partner

Each Company that is a limited partnership shall maintain a corporate general partner or co-general partner, which shall have the authority to manage the day-to-day affairs of the partnership.

(C) Independent Directors/Audit Committee

The corporate general partner or co-general partner shall maintain a sufficient number of Independent Directors on its board to satisfy the audit committee requirements set forth in IEX Rule 14.405(c).

(D) Partner Meetings

A Company that is a limited partnership shall not be required to hold an annual meeting of limited partners unless required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement.

(E) Quorum

In the event that a meeting of limited partners is required pursuant to paragraph (D), the quorum for such meeting shall be not less than 33-1/3 percent of the limited partnership interests outstanding.

(F) Solicitation of Proxies

In the event that a meeting of limited partners is required pursuant to paragraph (D), the Company shall provide all limited partners with proxy or information statements and if a vote is required, shall solicit proxies thereon.

(G) Review of Related Party Transactions

Each Company that is a limited partnership shall conduct an appropriate review of all related party transactions on an ongoing basis and shall utilize the Audit Committee or a comparable body of the Board of Directors for the review of potential material conflict of interest situations where appropriate.

(H) Shareholder Approval

Each Company that is a limited partnership must obtain shareholder approval when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, as would be required under IEX Rule 14.412(c) and Supplementary Material .01 to IEX Rule 14.412(c)

(I) Auditor Registration

Each Company that is a limited partnership must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(J) Notification of Noncompliance.

Each Company that is a limited partnership must provide IEX with prompt notification after an Executive Officer of the Company, or a person performing an equivalent role, becomes aware of any noncompliance by the Company with the requirements of this IEX Rule Series 14.400.

(5) Management Investment Companies

Management investment companies (including business development companies) are subject to all the requirements of the Rule 14.400 Series, except that management investment companies registered under the Investment Company Act of 1940 are exempt from the Independent Directors requirement, the Compensation Committee requirement, the Independent Director Oversight of Director Nominations requirement, and the Code of Conduct requirement, set forth in IEX Rules 14.405(b), (d), and (e) and 14.406, respectively. In addition, management investment companies that issue Index Fund Shares, Managed Fund Shares, and Exchange-Traded Managed Fund Shares, as defined in Chapter 16 are exempt from the Audit Committee requirements set forth in IEX Rule 14.405(c), except for the applicable requirements of SEC Rule 10A-3.

• • • Supplementary Material • • •

.04 Management Investment Companies Supplemental

Management investment companies registered under the Investment Company Act of 1940 are already subject to a pervasive system of federal regulation in certain areas of corporate governance covered by the IEX Rule Series 14.400. In light of this, the Exchange exempts from IEX Rules 14.405(b), (d), and (e) and 14.406 management investment companies registered under the Investment Company Act of 1940. Business development companies, which are a type of closed- end management investment company defined in Section 2(a)(48) of the Investment Company Act of 1940 that are not registered under that Act, are required to comply with all of the provisions of the Rule 14.400 Series. Management investment companies that are Index Fund Shares and Managed Fund Shares are exempt from the Audit Committee requirements set forth in IEX Rule 14.405(c), except for the applicable requirements of SEC Rule 10A-3.

(b) Phase-In Schedules

(1) Initial Public Offerings

A Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the independent committee requirements set forth in IEX Rules 14.405(d)(2) and (e)(1)(B) on the same schedule as it is permitted to phase in its compliance with the independent audit committee requirement pursuant to Rule 10A-3(b)(1)(iv)(A) under the Act. Accordingly, a Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the committee composition requirements set forth in IEX Rule 14.405(d)(2) and (e)(1)(B) as follows: (1) one member must satisfy the requirement at the time of listing; (2) a majority of members must satisfy the requirement within 90 days of listing; and (3) all members must satisfy the requirement within one year of listing. Furthermore, a Company listing in connection with its initial public offering shall have twelve months from the date of listing to comply with the majority independent board requirement in IEX Rule 14.405(b). It should be noted, however, that pursuant to Rule 10A-3(b)(1)(iii) under the Act investment companies are not afforded the exemptions under Rule 10A-3(b)(1)(iv) under the Act. Companies may choose not to adopt a nomination committee and may instead rely upon a majority of the Independent Directors to discharge responsibilities under IEX Rule 14.405(b). For purposes of the IEX Rule Series 14.400 other than IEX Rules 14.405(c)(2)(A)(ii) and 14.410, a Company shall be considered to be listing in conjunction with an initial public offering if, immediately prior to listing, it does not have a class of common

stock registered under the Act. For purposes of IEX Rule 14.405(c)(2)(A)(ii) and IEX Rule 14.410, a Company shall be considered to be listing in conjunction with an initial public offering only if it meets the conditions in Rule 10A-3(b)(1)(iv)(A) under the Act, namely, that the Company was not, immediately prior to the effective date of a registration statement, required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Act.

(2) Companies Emerging from Bankruptcy

Companies that are emerging from bankruptcy shall be permitted to phase-in independent nomination and compensation committees and majority independent boards on the same schedule as Companies listing in conjunction with their initial public offering.

(3) Transfers from other Markets

Companies transferring from other markets with a substantially similar requirement shall be afforded the balance of any grace period afforded by the other market. Companies transferring from other listed markets that do not have a substantially similar requirement shall be afforded one year from the date of listing on IEX. This transition period is not intended to supplant any applicable requirements of Rule 10A-3 under the Act.

(4) Phase-In Schedule for a Company Ceasing to be a Smaller Reporting Company

Pursuant to Rule 12b-2 under the Act, a Company tests its status as a Smaller Reporting Company on an annual basis as of the last business day of its most recently completed second fiscal quarter (for purposes of this IEX Rule, the "Determination Date"). A Company with a public float of $75 million or more as of the Determination Date will cease to be a Smaller Reporting Company as of the beginning of the fiscal year following the Determination Date (the "Start Date").

By six months from the Start Date, a Company must comply with Rule 14.405(d)(3) and certify to IEX that: (i) it has complied with the requirement in IEX Rule 14.405(d)(1) to adopt a formal written compensation committee charter including the content specified in IEX Rule 14.405(d)(1)(A) through (D); and (ii) it has complied, or within the applicable phase-in schedule will comply, with the additional requirements in IEX Rule 14.405(d)(2)(A) regarding compensation committee composition.

A Company shall be permitted to phase in its compliance with the additional compensation committee eligibility requirements of IEX Rule 14.405(d)(2)(A) relating to compensatory fees and affiliation as follows: (i) one member must satisfy the requirements by six months from the Start Date; (ii) a majority of members must satisfy the requirements by nine months from the Start Date; and (iii) all members must satisfy the requirements by one year from the Start Date.

Since a Smaller Reporting Company is required to have a compensation committee comprised of at least two Independent Directors, a Company that has ceased to be a Smaller Reporting Company may not use the phase-in schedule for the requirements of IEX Rule 14.405(d)(2)(A) relating to minimum committee size or that the committee consist only of Independent Directors as defined under IEX Rule 14.405(a)(2).

During this phase-in schedule, a Company that has ceased to be a Smaller Reporting Company must continue to comply with Rule 14.405(d)(5).

(c) How the Rules Apply to a Controlled Company

(1) Definition

A Controlled Company is a Company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company.

(2) Exemptions Afforded to a Controlled Company

A Controlled Company is exempt from the requirements of IEX Rules 14.405(b), (d), and (e), except for the requirements of subsection (b)(2) which pertain to executive sessions of Independent Directors. A Controlled Company, other than a Foreign Private Issuer, relying upon this exemption must comply with the disclosure requirements set forth in Instruction 1 to Item 407(a) of Regulation S-K. A Foreign Private Issuer must disclose in its next annual report (e.g., Form 20-F or 40-F) that it is a Controlled Company and the basis for that determination.

(3) Phase-In Schedule for a Company Ceasing to be a Controlled Company

A Company that has ceased to be a Controlled Company within the meaning of IEX Rule 14.407(c)(1) shall be permitted to phase-in its independent nomination and compensation committees and majority independent board on the same schedule as Companies listing in conjunction with their initial public offering. It should be noted, however, that a Company that has ceased to be a Controlled Company within the meaning of IEX Rule 14.407(c)(1) must comply with the audit committee requirements of IEX Rule 14.405(c) as of the date it ceased to be a Controlled Company. Furthermore, the executive sessions requirement of IEX Rule 14.405(b)(2) applies to Controlled Companies as of the date of listing and continues to apply after it ceases to be controlled.

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.05 Controlled Company Exemption

This exemption recognizes that majority Shareholders, including parent companies, have the right to select directors and control certain key decisions, such as executive officer compensation, by virtue of their ownership rights. In order for a group to exist for purposes of this IEX Rule, the Shareholders must have publicly filed a notice that they are acting as a group (e.g., a Schedule 13D). A Controlled Company not relying upon this exemption need not provide any special disclosures about its controlled status. It should be emphasized that this controlled company exemption does not extend to the audit committee requirements under IEX Rule 14.405(c) or the requirement for executive sessions of Independent Directors under IEX Rule 14.405(b)(2).

Rule 14.408. Meetings of Shareholders

(a) Each Company listing common stock or voting preferred stock, and their equivalents, shall hold an annual meeting of Shareholders no later than one year after the end of the Company's fiscal year-end, unless such Company is a limited partnership that meets the requirements of IEX Rule14.407(a)(4)(D).

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.01 Meetings of Shareholders or Partners

IEX Rule 14.408 requires that each Company listing common stock or voting preferred stock, and their equivalents, hold an annual meeting of Shareholders within one year of the end of each fiscal year. At each such meeting, Shareholders must be afforded the opportunity to discuss Company affairs with management and, if required by the Company's governing documents, to elect directors. A new listing that was not previously subject to a requirement to hold an annual meeting is required to hold its first meeting within one-year after its first fiscal year-end following listing. Of course, IEX's meeting requirement does not supplant any applicable state or federal securities laws concerning annual meetings.

This requirement is not applicable as a result of a Company listing the following types of securities: securities listed pursuant to IEX Rule 14.316 (such as Trust Preferred Securities and Contingent Value Rights), unless the listed security is a common stock or voting preferred stock equivalent (e.g., a callable common stock); Portfolio Depository Receipts and Index Fund Shares listed pursuant to Chapter 16; and Trust Issued Receipts listed pursuant to Chapter 16. Notwithstanding, if the Company also lists common stock or

voting preferred stock, or their equivalent, the Company must still hold an annual meeting for the holders of that common stock or voting preferred stock, or their equivalent.

(b) Proxy Solicitation

Each Company that is not a limited partnership shall solicit proxies and provide proxy statements for all meetings of Shareholders and shall provide copies of such proxy solicitation to the Exchange. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of IEX Rule 14.407(a)(4)(F).

(c) Quorum

Each Company that is not a limited partnership shall provide for a quorum as specified in its by- laws for any meeting of the holders of common stock; provided, however, that in no case shall such quorum be less than 33 1/3 % of the outstanding shares of the Company's common voting stock. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of IEX Rule 14.407(a)(4)(E).

Rule 14.410. Notification of Noncompliance

A Company must provide the Exchange with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the requirements of this IEX Rule Series 14.400.

Rule 14.411. Review of Related Party Transactions

(a) Each Company that is not a limited partnership shall conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by the Company's audit committee or another independent body of the board of directors. For purposes of this IEX Rule, the term "related party transaction" shall refer to transactions required to be disclosed pursuant to Item 404 of Regulation S-K under the Act. However, in the case of non-U.S. issuers, the term "related party transactions" shall refer to transactions required to be disclosed pursuant to Form 20-F, Item 7.B.

(b) Limited partnerships shall comply with the requirements of IEX Rule 14.407(a)(4)(G).

Rule 14.412. Shareholder Approval

This IEX Rule sets forth the circumstances under which shareholder approval is required prior to an issuance of securities in connection with: (1) the acquisition of the stock or assets of another company; (2) a change of control; (3) equity-based compensation of officers, directors, employees, or consultants; and (4) private placements. General provisions relating to shareholder approval are set forth in IEX Rule 14.412(e), and the financial viability exception to the shareholder approval requirement is set forth in IEX Rule 14.412(f). Exchange-listed Companies and their representatives are encouraged to use the interpretative letter process described in IEX Rule 14.401(c).

(a) Acquisition of Stock or Assets of Another Company

Shareholder approval is required prior to the issuance of securities in connection with the acquisition of the stock or assets of another company if:

(1) where, due to the present or potential issuance of common stock, including shares issued pursuant to an earn-out provision or similar type of provision, or securities convertible into or exercisable for common stock, other than a public offering for cash:

(A) the common stock has or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of stock or securities convertible into or exercisable for common stock; or

(B) the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the stock or securities; or

(2) any director, officer or Substantial Shareholder (as defined by IEX Rule 14.412(e)(3)) of the Company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the Company or assets to be acquired or in the consideration to be paid in the transaction or series of related transactions and the present or potential issuance of common stock, or securities convertible into or exercisable for common stock, could result in an increase in outstanding common shares or voting power of 5% or more.

(b) Change of Control

Shareholder approval is required prior to the issuance of securities when the issuance or potential issuance will result in a change of control of the Company.

(c) Equity Compensation

Shareholder approval is required prior to the issuance of securities when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, except for:

(1) warrants or rights issued generally to all security holders of the Company or stock purchase plans available on equal terms to all security holders of the Company (such as a typical dividend reinvestment plan);

(2) tax qualified, non-discriminatory employee benefit plans (e.g., plans that meet the requirements of Section 401(a) or 423 of the Internal Revenue Code) or parallel nonqualified plans, provided such plans are approved by the Company's independent compensation committee or a majority of the Company's Independent Directors; or plans that merely provide a convenient way to purchase shares on the open market or from the Company at Market Value;

(3) plans or arrangements relating to an acquisition or merger as permitted under Supplementary Material .01 to IEX Rule 14.412; or

(4) issuances to a person not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to the individual's entering into employment with the Company, provided such issuances are approved by either the Company's independent compensation committee or a majority of the Company's Independent Directors. Promptly following an issuance of any employment inducement grant in reliance on this exception, a Company must disclose in a press release the material terms of the grant, including the recipient(s) of the grant and the number of shares involved.

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.01 Shareholder Approval for Stock Option Plans or Other Equity Compensation Arrangements

Employee ownership of Company stock can be an effective tool to align employee interests with those of other Shareholders. Stock option plans or other equity compensation arrangements can also assist in the recruitment and retention of employees, which is especially critical to young, growing Companies, or Companies with insufficient cash resources to attract and retain highly qualified employees. However, these plans can potentially dilute shareholder interests. IEX Rule 14.412(c) ensures that Shareholders have a voice in these situations, given this potential for dilution.

IEX Rule 14.412(c) requires shareholder approval when a plan or other equity compensation arrangement is established or materially amended. For these purposes, a material amendment would include, but not be limited to, the following:

(1) any material increase in the number of shares to be issued under the plan (other than to reflect a reorganization, stock split, merger, spinoff or similar transaction);

(2) any material increase in benefits to participants, including any material change to: (i) permit a repricing (or decrease in exercise price) of outstanding options, (ii) reduce the price at which shares or options to purchase shares may be offered, or (iii) extend the duration of a plan;

(3) any material expansion of the class of participants eligible to participate in the plan; and

(4) any expansion in the types of options or awards provided under the plan.

While general authority to amend a plan would not obviate the need for shareholder approval, if a plan permits a specific action without further shareholder approval, then no such approval would generally be required. However, if a plan contains a formula for automatic increases in the shares available (sometimes called an "evergreen formula"), or for automatic grants pursuant to a dollar-based formula (such as annual grants based on a certain dollar value, or matching contributions based upon the amount of compensation the participant elects to defer), such plans cannot have a term in excess of ten years unless shareholder approval is obtained every ten years. However, plans that do not contain a formula and do not impose a limit on the number of shares available for grant would require shareholder approval of each grant under the plan. A requirement that grants be made out of treasury shares or repurchased shares will not alleviate these additional shareholder approval requirements.

As a general matter, when preparing plans and presenting them for shareholder approval, Companies should strive to make plan terms easy to understand. In that regard, it is recommended that plans meant to permit repricing use explicit terminology to make this clear.

IEX Rule 14.412(c) provides an exception to the requirement for shareholder approval for warrants or rights offered generally to all Shareholders. In addition, an exception is provided for tax qualified, non-discriminatory employee benefit plans as well as parallel nonqualified plans as these plans are regulated under the Internal Revenue Code and Treasury Department regulations. An equity compensation plan that provides non-U.S. employees with substantially the same benefits as a comparable tax qualified, non-discriminatory employee benefit plan or parallel nonqualified plan that the Company provides to its U.S. employees, but for features necessary to comply with applicable foreign tax law, is also exempt from shareholder approval under this section.

Further, the rule provides an exception for inducement grants to new employees because in these cases a Company has an arm's length relationship with the new employees. Inducement grants for these purposes include grants of options or stock to new employees in connection with a merger or acquisition. The rule requires that such issuances be approved by the Company's independent compensation committee or a majority of the Company's Independent Directors. The rule further requires that promptly following an issuance of any employment inducement grant in reliance on this exception, a Company must disclose in a press release the material terms of the grant, including the recipient(s) of the grant and the number of shares involved.

In addition, plans or arrangements involving a merger or acquisition do not require shareholder approval in two situations. First, shareholder approval will not be required to convert, replace or adjust outstanding options or other equity compensation awards to reflect the transaction. Second, shares available under certain plans acquired in acquisitions and mergers may be used for certain post-transaction grants without further shareholder approval. This exception applies to situations where the party which is not a listed company following the transaction has shares available for grant under pre-existing plans that meet the requirements of this IEX Rule 14.412(c). These shares may be used for post-transaction grants of options and other equity awards by the listed Company (after appropriate adjustment of the number of shares to reflect the transaction), either under the pre-existing plan or arrangement or another plan or arrangement, without further shareholder approval, provided: (1) the time during which those shares are available for grants is not extended beyond the period when they would have been available under the pre-existing plan, absent the transaction, and (2) such options and other awards are not granted to individuals who were employed by the granting company or its subsidiaries at the time the merger or acquisition was consummated. IEX would view a plan or arrangement adopted in contemplation of the merger or acquisition transaction as not pre-existing for purposes of this exception. This exception is appropriate because it will not result in any increase in the aggregate potential dilution of the combined enterprise. In this regard, any additional shares available for issuance under a plan or arrangement acquired in connection with a merger or acquisition would be counted by IEX in determining whether the transaction involved the issuance of 20% or more of the Company's outstanding common stock, thus triggering the shareholder approval requirements under IEX Rule 14.412(a).

Inducement grants, tax qualified non-discriminatory benefit plans, and parallel nonqualified plans are subject to approval by either the Company's independent compensation committee or a majority of the Company's Independent Directors. It should also be noted that a Company would not be permitted to use repurchased shares to fund option plans or grants without prior shareholder approval.

For purposes of IEX Rule 14.412(c) and Supplementary Material .01, the term "parallel nonqualified plan" means a plan that is a "pension plan" within the meaning of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §1002 (1999), that is designed to work in parallel with a plan intended to be qualified under Internal Revenue Code Section 401(a), to provide benefits that exceed the limits set forth in Internal Revenue Code Section 402(g) (the section that limits an employee's annual pre-tax contributions to a 401(k) plan), Internal Revenue Code Section 401(a)(17) (the section that limits the amount of an employee's compensation that can be taken into account for plan purposes) and/or Internal Revenue Code Section 415 (the section that limits the contributions and benefits under qualified plans) and/or any successor or similar limitations that may thereafter be enacted. However, a plan will not be considered a parallel nonqualified plan unless: (i) it covers all or substantially all employees of an employer who are participants in the related qualified plan whose annual compensation is in excess of the limit of Code Section 401(a)(17) (or any successor or similar limitation that may hereafter be enacted); (ii) its terms are substantially the same as the qualified plan that it parallels except for the elimination of the limitations described in the preceding sentence; and, (iii) no participant receives employer equity contributions under the plan in excess of 25% of the participant's cash compensation.

(d) Private Placements

Shareholder approval is required prior to the issuance of securities in connection with a transaction other than a public offering involving:

(1) the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable for common stock) at a price less than the greater of book or market value which together with sales by officers, directors or Substantial Shareholders of the Company equals 20% or more of common stock or 20% or more of the voting power outstanding before the issuance; or

(2) the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable common stock) equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock.

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.02 Interpretative Material Regarding the Use of Share Caps to Comply with Rule 14.412

IEX Rule 14.412 limits the number of shares or voting power that can be issued or granted without shareholder approval prior to the issuance of certain securities. (An exception to this IEX Rule is available to Companies when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise as set forth in IEX Rule 14.412(f). However, a share cap is not permissible in conjunction with the financial viability exception provided in IEX Rule 14.412(f), because the application to the Exchange and the notice to Shareholders required in the rule must occur prior to the issuance of any common stock or securities convertible into or exercisable for common stock.) Generally, this limitation applies to issuances of 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance. (While the Exchange notes that this issue is generally implicated with respect to these situations, it may also arise with respect to the 5% threshold set forth in IEX Rule 14.412(a)(2)). Companies sometimes comply with the 20% limitation by placing a "cap" on the number of shares that can be issued in the transaction, such that there cannot, under any circumstances, be an issuance of 20% or more of the common stock or voting power previously outstanding without prior shareholder approval. If a Company determines to defer a shareholder vote in this manner, shares that are issuable under the cap (in the first part of the transaction) must not be entitled to vote to approve the remainder of the transaction. In addition, a cap must apply for the life of the transaction, unless shareholder approval is obtained. For example, caps that no longer apply if a Company is not listed on the Exchange are not permissible under the Rule. Of course, if shareholder approval is not obtained, then the investor will not be able to acquire 20% or more of the common stock or voting power outstanding before the transaction and would continue to hold the balance of the original security in its unconverted form.

Companies have also attempted to cap the issuance of shares at below 20% but have also provided an alternative outcome based upon whether shareholder approval is obtained, including, but not limited to a "penalty" or a "sweetener." Instead, if the terms of a transaction can change based upon the outcome of the shareholder vote, no common shares may be issued prior to the approval of the Shareholders. Companies that engage in transactions with defective caps may be subject to delisting. For example, a Company issues a convertible preferred stock or debt instrument that provides for conversions of up to 20% of the total shares outstanding with any further conversions subject to shareholder approval. However, the terms of the instrument provide that if Shareholders reject the transaction, the coupon or conversion ratio will increase or the Company will be penalized by a specified monetary payment, including a rescission of the transaction. Likewise, a transaction may provide for improved terms if shareholder approval is obtained. The Exchange believes that in such situations the cap is defective because the presence of the alternative outcome has a coercive effect on the shareholder vote, and thus may deprive Shareholders of their ability to freely exercise their vote. Accordingly, the Exchange will not accept a cap that defers the need for shareholder approval in such situations.

Companies having questions regarding this policy are encouraged to contact IEX Regulation, which will provide a written interpretation of the application of IEX Rules to a specific transaction, upon prior written request of the Company.

.03 Definition of a Public Offering

IEX Rule 14.412(d) provides that shareholder approval is required for the issuance of common stock (or securities convertible into or exercisable for common stock) equal to 20 percent or more of the common stock or 20 percent or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock. Under this IEX Rule, however, shareholder approval is not required for a "public offering."

Companies are encouraged to consult with IEX Regulation in order to determine if a particular offering is a "public offering" for purposes of the shareholder approval rules. Generally, a firm commitment underwritten securities offering registered with the Securities and Exchange Commission will be considered a public offering for these purposes. Likewise, any other securities offering which is registered with the Securities and Exchange Commission and which is publicly disclosed and distributed in the same general manner and extent as a firm commitment underwritten securities offering will be considered a public offering for purposes of the shareholder approval rules. However, the Exchange staff will not treat an offering as a "public offering" for purposes of the shareholder approval rules merely because they are registered with the Commission prior to the closing of the transaction.

When determining whether an offering is a "public offering" for purposes of these rules, IEX Regulation will consider all relevant factors, including but not limited to:

(a) the type of offering (including whether the offering is conducted by an underwriter on a firm commitment basis, or an underwriter or placement agent on a best-efforts basis, or whether the offering is self-directed by the Company);

(b) the manner in which the offering is marketed (including the number of investors offered securities, how those investors were chosen, and the breadth of the marketing effort);

(c) the extent of the offering's distribution (including the number and identity of the investors who participate in the offering and whether any prior relationship existed between the Company and those investors);

(d) the offering price (including the extent of any discount to the market price of the securities offered); and

(e) *the extent to which the Company controls the offering and its distribution.*

(e) Definitions and Computations Relating to the Shareholder Approval Requirements

(1) For purposes of making any computation in this paragraph, when determining the number of shares issuable in a transaction, all shares that could be issued are included, regardless of whether they are currently treasury shares. When determining the number of shares outstanding, only shares issued and outstanding are considered. Treasury shares, shares held by a subsidiary, and unissued shares reserved for issuance upon conversion of securities or upon exercise of options or warrants are not considered outstanding.

(2) Voting power outstanding as used in this IEX Rule refers to the aggregate number of votes which may be cast by holders of those securities outstanding which entitle the holders thereof to vote generally on all matters submitted to the Company's security holders for a vote.

(3) An interest consisting of less than either 5% of the number of shares of common stock or 5% of the voting power outstanding of a Company or party shall not be considered a substantial interest or cause the holder of such an interest to be regarded as a "Substantial Shareholder."

(4) Where shareholder approval is required, the minimum vote that will constitute shareholder approval shall be a majority of the total votes cast on the proposal. These votes may be cast in person, by proxy at a meeting of Shareholders or by written consent in lieu of a special meeting to the extent permitted by applicable state and federal law and rules (including interpretations thereof), including, without limitation, Regulations 14A and 14C under the Act. Nothing contained in this IEX Rule 14.412(e)(4) shall affect a Company's obligation to hold an annual meeting of Shareholders as required by IEX Rule 14.408.

(5) Shareholder approval shall not be required for any share issuance if such issuance is part of a court-approved reorganization under the federal bankruptcy laws or comparable foreign laws.

(f) Financial Viability Exception

An exception applicable to a specified issuance of securities may be made upon prior written application to IEX Regulation when:

(1) the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise; and

(2) reliance by the Company on this exception is expressly approved by the audit committee or a comparable body of the board of directors comprised solely of independent, disinterested directors. IEX Regulation shall respond to each application for such an exception in writing.

A Company that receives such an exception must mail to all Shareholders not later than ten days before issuance of the securities a letter alerting them to its omission to seek the shareholder approval that would otherwise be required. Such notification shall disclose the terms of the transaction (including the number of shares of common stock that could be issued and the consideration received), the fact that the Company is relying on a financial viability exception to the stockholder approval rules, and that the audit committee or a comparable body of the board of directors comprised solely of independent, disinterested directors has expressly approved reliance on the exception. The Company shall also make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the same information as promptly as possible, but no later than ten days before the issuance of the securities.

• • • Supplementary Material • • •

.04 Interpretive Material Regarding Future Priced Securities and Other Securities with Variable Conversion Terms

Summary

Provisions of this Supplementary Material .04 would apply to any security with variable conversion terms. For example, Future Priced Securities are private financing instruments which were created as an alternative means of quickly raising capital for Companies. The security is generally structured in the form of a convertible security and is often issued via a private placement. Companies will typically receive all capital proceeds at the closing. The conversion price of the Future Priced Security is generally linked to a percentage discount to the market price of the underlying common stock at the time of conversion and accordingly the conversion rate for Future Priced Securities floats with the market price of the common stock. As such, the lower the price of the Company's common stock at the time of conversion, the more shares into which the Future Priced Security is convertible. The delay in setting

the conversion price is appealing to Companies who believe that their stock will achieve greater value after the financing is received. However, the issuance of Future Priced Securities may be followed by a decline in the common stock price, creating additional dilution to the existing holders of the common stock. Such a price decline allows holders to convert the Future Priced Security into large amounts of the Company's common stock. As these shares are issued upon conversion of the Future Priced Security, the common stock price may tend to decline further.

For example, a Company may issue $10 million of convertible preferred stock (the Future Priced Security), which is convertible by the holder or holders into $10 million of common stock based on a conversion price of 80% of the closing price of the common stock on the date of conversion. If the closing price is $5 on the date of conversion, the Future Priced Security holders would receive 2,500,000 shares of common stock. If, on the other hand, the closing price is $1 on the date of conversion, the Future Priced Security holders would receive 12,500,000 shares of common stock.

Unless the Company carefully considers the terms of the securities in connection with several IEX Rules, the issuance of Future Priced Securities could result in a failure to comply with the Exchange listing standards and the concomitant delisting of the Company's securities from the Exchange. The Exchange understands that Companies do not always appreciate this potential consequence. The IEX Rules that bear upon the continued listing qualification of a Company and that must be considered when issuing Future Priced Securities include:

(a) the shareholder approval rules [see IEX Rule 14.412]

(b) the voting rights rules [see IEX Rule 14.413)]

(c) the bid price requirement [see IEX Rule 14.320(a)(1)]

(d) the listing of additional shares rules [see IEX Rule 14.207(e)(2)]

(e) the change in control rules [see IEX Rules 14.102 and 14.412(b)]

(f) the Exchange's discretionary authority rules [see IEX Rule Series 14.100]

It is important for Companies to clearly understand that failure to comply with any of these rules could result in the delisting of the Company's securities.

This notice is intended to be of assistance to Companies considering financings involving Future Priced Securities. By adhering to the above requirements, Companies can avoid unintended listing qualifications problems. Companies having any questions about this notice should contact IEX Regulation. The Exchange will provide a Company with a written interpretation of the application of the IEX Rules to a specific transaction, upon request of the Company.

How the Rules Apply

Shareholder Approval

IEX Rule 14.412(d) provides, in part: Each Company shall require shareholder approval prior to the issuance of securities in connection with a transaction other than a public offering involving the sale, issuance or potential issuance by the issuer of common stock (or securities convertible into or exercisable for common stock) at a price less than the greater of book or market value which together with sales by officers, directors or Substantial Shareholders of the Company equals 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance.

(The Exchange may make exceptions to this requirement when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise and reliance by the Company on this exception is expressly approved by the Audit Committee or a comparable body of the Board of Directors.)

When the Exchange staff is unable to determine the number of shares to be issued in a transaction, it looks to the maximum potential issuance of shares to determine whether there will be an issuance of 20 percent or more of the common stock outstanding. In the case of Future Priced Securities, the actual conversion price is dependent on the market price at the time of conversion and so the number of shares that will be issued is uncertain until the conversion occurs. Accordingly, staff will look to the maximum potential issuance of common shares at the time the Future Priced Security is issued. Typically, with a Future Priced Security, the maximum potential issuance will exceed 20 percent of the common stock outstanding because the Future Priced Security could, potentially, be converted into common stock based on a share price of one cent per share, or less. Further, for purposes of this calculation, the lowest possible conversion price is below the book or market value of the stock at the time of issuance of the Future Priced Security.

Therefore, shareholder approval must be obtained prior to the issuance of the Future Priced Security. Companies should also be cautioned that obtaining shareholder ratification of the transaction after the issuance of a Future Priced Security does not satisfy the shareholder approval requirements.

Some Future Priced Securities may contain features to obviate the need for shareholder approval by: (1) placing a cap on the number of shares that can be issued upon conversion, such that the holders of the Future Priced Security cannot, without prior shareholder approval, convert the security into 20% or more of the common stock or voting power outstanding before the issuance of the Future Priced Security (See Supplementary Material .02 to IEX Rule 14.412, Interpretative Material Regarding the Use of Share Caps to Comply with IEX Rule 14.412), or (2) placing a floor on the conversion price, such that the conversion price will always be at least as high as the greater of book or market value of the common stock prior to the issuance of the Future Priced Securities. Even when a Future Priced Security contains these features, however, shareholder approval is still required under IEX Rule 14.412(b) if the issuance will result in a change of control. Additionally, discounted issuances of common stock to officers, directors, employees or consultants require shareholder approval pursuant to IEX Rule 14.412(c).

Voting Rights

IEX Rule 14.413 provides:

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance.

Supplementary Material .01 to IEX Rule 14.413 also provides rules relating to voting rights of the Exchange Companies.

Under the voting rights rules, a Company cannot create a new class of security that votes at a higher rate than an existing class of securities or take any other action that has the effect of restricting or reducing the voting rights of an existing class of securities. The voting rights rules are typically implicated when the holders of the Future Priced Security are entitled to vote on an as-converted basis or when the holders of the Future Priced Security are entitled to representation on the Board of Directors. The percentage of the overall vote attributable to the Future Priced Security holders and the Future Priced Security holders' representation on the board of directors must not exceed their relative contribution to the Company based on the Company's overall book or market value at the time of the issuance of the Future Priced Security. Staff will consider whether a voting rights violation exists by comparing the Future Priced Security holders' voting rights to their relative contribution to the Company based on the Company's overall book or market value at the time of the issuance of the Future Priced Security. If the voting power or the board percentage exceeds that percentage interest, a violation exists because a new class of securities has been created that votes at a higher rate than an already existing class. Future Priced Securities that vote on an as-converted basis also raise voting rights concerns because of the possibility that, due to a decline in the price of the underlying common stock, the Future Priced Security holder will have voting rights disproportionate to its investment in the Company.

It is important to note that compliance with the shareholder approval rules prior to the issuance of a Future Priced Security does not affect whether the transaction is in violation of the voting rights rule. Furthermore, Shareholders can not otherwise agree to permit a voting rights violation by the Company. Because a violation of the voting rights requirement can result in delisting of the Company's securities from the Exchange, careful attention must be given to this issue to prevent a violation of the rule.

The Bid Price Requirement

The bid price requirement establishes a minimum bid price for issues listed on the Exchange. The IEX Rules provide that, for an issue to be eligible for continued listing on the Exchange, the minimum bid price per share shall be $1. An issue is subject to delisting from the Exchange, as described in IEX Rule Series 14.500 if its bid price falls below $1.

The bid price rules must be thoroughly considered because the characteristics of Future Priced Securities often exert downward pressure on the price of the Company's common stock. Specifically, dilution from the discounted conversion of the Future Priced Security may result in a significant decline in the price of the common stock. Furthermore, there appear to be instances where short selling has contributed to a substantial price decline, which, in turn, could lead to a failure to comply with the bid price requirement. (If used to manipulate the price of the stock, short selling by the holders of the Future Priced Security is prohibited by the antifraud provisions of the securities laws and by the IEX Rules and may be prohibited by the terms of the placement.)

Listing of Additional Shares

IEX Rule 14.207(e)(2)provides:

The Company shall be required to notify the Exchange on the appropriate form no later than 15 calendar days prior to: establishing or materially amending a stock option plan, purchase plan or other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval; issuing securities that may potentially result in a change of control of the Company; issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or entering into a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.

Companies should be cognizant that under this IEX Rule notification is required at least 15 days prior to issuing any security (including a Future Priced Security) convertible into shares of a class of securities already listed on the Exchange. Failure to provide such notice can result in a Company's removal from the Exchange.

Public Interest Concerns

IEX Rule 14.101 provides:

The Exchange is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. The Exchange stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. The Exchange Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

The Exchange, therefore, in addition to applying the enumerated criteria set forth in the Listing Rules, has broad discretionary authority over the initial and continued listing of securities in the Exchange in order to maintain the quality, transparency and integrity of and public confidence in its market; to prevent fraudulent and manipulative acts and practices; to promote just and equitable principles of trade; and to protect investors and the public interest; and to protect the safety and security of the Exchange and its employees. The Exchange may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange.

The returns on Future Priced Securities may become excessive compared with those of public investors in the Company's common securities. In egregious situations, the use of a Future Priced Security may raise public interest concerns under IEX Rule 14.101. In addition to the demonstrable business purpose of the transaction, other factors that the Exchange staff will consider in determining whether a transaction raises public interest concerns include: (1) the amount raised in the transaction relative to the Company's existing capital structure; (2) the dilutive effect of the transaction on the existing holders of common stock; (3) the risk undertaken by the Future Priced Security investor; (4) the relationship between the Future Priced Security investor and the Company; (5) whether the transaction was preceded by other similar transactions; and (6) whether the transaction is consistent with the just and equitable principles of trade.

Some Future Priced Securities may contain features that address the public interest concerns. These features tend to provide incentives to the investor to hold the security for a longer time period and limit the number of shares into which the Future Priced Security may be converted.

Such features may limit the dilutive effect of the transaction and increase the risk undertaken by the Future Priced Security investor in relationship to the reward available.

Business Combinations with non-IEX Entities Resulting in a Change of Control

IEX Rule 14.102(a) provides:

A Company must apply for initial listing in connection with a transaction whereby the Company combines with, or into, an entity that is not an IEX Company, resulting in a change of control of the Company and potentially allowing such entity to obtain an Exchange Listing. In determining whether a change of control has occurred, the Exchange shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. The Exchange shall also consider the nature of the businesses and the relative size of the IEX Company and entity that is not an IEX Company. The Company must submit an application for the post-transaction entity with sufficient time to allow the Exchange to

complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, the Exchange will issue a Staff Determination Letter as set forth in IEX Rule 14.501 and begin delisting proceedings pursuant to IEX Rule 14.500.

This provision, which applies regardless of whether the Company obtains shareholder approval for the transaction, requires Companies to qualify under the initial listing standards in connection with a combination that results in a change of control. It is important for Companies to realize that in certain instances, the conversion of a Future Priced Security may implicate this provision. For example, if there is no limit on the number of common shares issuable upon conversion, or if the limit is set high enough, the exercise of conversion rights under a Future Priced Security could result in the holders of the Future Priced Securities obtaining control of the listed Company. In such event, a Company may be required to re-apply for initial listing and satisfy all initial listing requirements.

Rule 14.413. Voting Rights

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance. Examples of such corporate action or issuance include, but are not limited to, the adoption of time-phased voting plans, the adoption of capped voting rights plans, the issuance of super-voting stock, or the issuance of stock with voting rights less than the per share voting rights of the existing common stock through an exchange offer.

• • • Supplementary Material • • •

.01 Voting Rights Policy

The following Voting Rights Policy is based upon, but more flexible than, former Rule 19c-4 under the Act. Accordingly, the Exchange will permit corporate actions or issuances by the Exchange Companies that would have been permitted under former Rule 19c-4, as well as other actions or issuances that are not inconsistent with this policy. In evaluating such other actions or issuances, the Exchange will consider, among other things, the economics of such actions or issuances and the voting rights being granted. The Exchange's interpretations under the policy will be flexible, recognizing that both the capital markets and the circumstances and needs of the Exchange Companies change over time. The text of the Exchange Voting Rights Policy is as follows:

Companies with Dual Class Structures.

The restriction against the issuance of super voting stock is primarily intended to apply to the issuance of a new class of stock, and Companies with existing dual class capital structures would generally be permitted to issue additional shares of the existing super voting stock without conflict with this policy.

Consultation with the Exchange.

Violation of the Exchange Voting Rights Policy could result in the loss of a Company's Exchange or public trading market. The policy can apply to a variety of corporate actions and securities issuances, not just super voting or so-called "time phase" voting common stock. While the policy will continue to permit actions previously permitted under former Rule 19c-4, it is extremely important that the IEX Companies communicate their intentions to their Exchange representatives as early as possible before taking any action or committing to take any action that may be inconsistent with the policy. The Exchange urges Companies listed on the Exchange not to assume, without first discussing the matter with the Exchange staff, that a particular issuance of common or preferred stock or the taking of some other corporate action will necessarily be consistent with the policy. It is suggested that copies of preliminary proxy or other material concerning matters subject to the policy be furnished to the Exchange for review prior to formal filing.

Review of Past Voting Rights Activities.

In reviewing an application for initial qualification for listing of a security in the Exchange, the Exchange will review the Company's past corporate actions to determine whether another self-regulatory organization (SRO) has found any of the Company's actions to have been a violation or evasion of the SRO's voting rights policy. Based on such review, the Exchange may take any appropriate

action, including the denial of the application or the placing of restrictions on such listing. The Exchange will also review whether a Company seeking initial listing of a security in the Exchange has requested a ruling or interpretation from another SRO regarding the application of that SRO's voting rights policy with respect to a proposed transaction. If so, the Exchange will consider that fact in determining its response to any ruling or interpretation that the Company may request on the same or similar transaction.

Non-U.S. Companies.

The Exchange will accept any action or issuance relating to the voting rights structure of a non-U.S. Company that is in compliance with the Exchange's requirements for domestic Companies or that is not prohibited by the Company's home country law.

Rule 14.414. Internal Audit Function

(a) Each Company must establish and maintain an internal audit function to provide management and the audit committee with ongoing assessments of the Company's risk management process and system of internal control. The Company may choose to outsource this function to a third party service provider other than its independent auditor. The audit committee must meet periodically with the internal auditors (or other personnel responsible for this function) and assist the Board in its oversight of the performance of this function. The audit committee should also discuss with the outside auditor the responsibilities, budget and staffing of the internal audit function.

(b) Transition Periods

(1) A Company listing in conjunction with its initial public offering or a spin-off transaction must comply with the requirements of IEX Rule 14.414(a) within one year of the listing date.

(2) A Company previously registered pursuant to Section 12(b) of the Exchange Act must satisfy the requirements of IEX Rule 14.414(a) within one year of the listing date to the extent the national securities exchange on which it was listed did not have the same requirement. If the other exchange had a substantially similar requirement and the company was afforded a transition period that had not expired, the company will have the same transition period as would have been available to it on the other exchange.

Rule 14.500. Failure to Meet Listing Standards

(a) Securities of a Company that does not meet the listing standards set forth in Chapter 14 are subject to delisting from the Exchange. This Section sets forth procedures for the independent review, suspension, and delisting of Companies that fail to satisfy one or more standards for continued listing and thus are "deficient" with respect to the listing standards.

IEX Regulation is responsible for identifying deficiencies that may lead to delisting; notifying the Company of the deficiency; and issuing Staff Delisting Determinations and Public Reprimand Letters. Rule 14.501 contains provisions regarding IEX Regulation's process for notifying Companies of different types of deficiencies and their corresponding consequences.

The Listings Review Committee, upon timely request by a Company, will review a Staff Delisting Determination or Public Reprimand Letter at an oral or written hearing, and issue a Decision that may, among other things, grant an "exception" to the Exchange's listing standards or affirm a delisting. Rule 14.502 contains provisions relating to the hearings process.

Procedures related to SEC notification of the Exchange's final Delisting Determinations are discussed in IEX Rule 14.503. Rules applicable to the Listings Review Committee and Advisors are provided in IEX Rule 14.504 and general information relating to the adjudicatory process is provided in IEX Rule 14.505.

A Company's failure to maintain compliance with the applicable provisions of Chapter 14 will result in the termination of the listing unless an exception is granted to the Company, as described below. The termination of the Company's listing will become effective in accordance with the procedures set forth herein, including IEX Rule 14.503.

(b) Definitions

(1) "Advisor" means an individual employed by the Exchange who is advising the Listings Review Committee with respect to a proceeding under this section.

(2) "Decision" means a written decision of an Adjudicatory Body.

(3) "IEX Regulation" is the department of the Exchange responsible for evaluating Company compliance with quantitative and qualitative listing standards and determining eligibility for initial and continued listing of a Company's securities.

(4) The "Listings Review Committee" is the committee designated by the Exchange's Board of Directors to review Company appeals of Staff Delisting Determinations and Public Reprimand Letters. The Listings Review Committee shall be composed of at least five members. Any action by the Listings Review Committee shall require a quorum, which shall be at least three members.

(5) "Public Reprimand Letter" means a letter issued by Staff or a Decision of the Listings Review Committee in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and Staff or the Listings Review Committee determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, Staff or the Listings Review Committee will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(6) "Staff" refers to employees of IEX Regulation.

(7) "Staff Delisting Determination" or "Delisting Determination" is a written determination by IEX Regulation to delist a listed Company's securities for failure to meet a continued listing standard.

Rule 14.501. Notification of Deficiency by IEX Regulation

(a) When IEX Regulation determines that a Company does not meet a listing standard set forth in Chapter 14, it will immediately notify the Company of the deficiency. As explained in more detail below, deficiency notifications are of four types:

(1) Staff Delisting Determinations, which are notifications of deficiencies that, unless appealed, subject the Company to immediate suspension and delisting;

(2) notifications of deficiencies for which a Company may submit a plan of compliance for staff review;

(3) notifications of deficiencies for which a Company is entitled to an automatic cure or compliance period; and

(4) Public Reprimand Letters.

Notifications of deficiencies that allow for submission of a compliance plan or an automatic cure or compliance period may result, after review of the compliance plan or expiration of the cure or compliance period, in issuance of a Staff Delisting Determination or a Public Reprimand Letter.

(b) Information Contained in Deficiency Notification and Delisting Determination

Deficiency notifications and Delisting Determinations will:

(1) inform the Company of the factual bases for Staff's determination of deficiency or delisting, and the quantitative or qualitative standard the Company has failed to satisfy;

(2) provide the Company with instructions regarding its obligations to disclose the deficiency under Exchange Listing Rules; and

(3) inform the Company:

(A) in the case of a Staff Delisting Determination, that the Company's securities will be suspended as of a date certain; the Company has a right to request review of the Delisting Determination by the Listings Review Committee; and that a request for review within seven days (as set forth in IEX Rule 14.502(a)(1)) will stay the suspension;

(B) in the case of a deficiency for which the Company may submit a plan of compliance for review by Staff, the deadline by which a plan must be submitted;

(C) in the case of a deficiency for which the Company is entitled to an automatic cure or compliance period, the expiration date of the cure or compliance period; and

(D) in the case of a Public Reprimand Letter, an explanation of why Staff concluded the letter is appropriate and the Company's right to request review of the Letter by Listings Review Committee.

(c) Company Disclosure Obligations

A Company that receives a notification of deficiency, Staff Delisting Determination, or Public Reprimand Letter is required to make a public announcement disclosing receipt of the notification and the Rule(s) upon which the deficiency is based. A Company that receives a notification of deficiency or Staff Delisting Determination related to the requirement to file a periodic report contained in IEX Rule 14.207(c)(1) or (2) is required to make the public announcement by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, in addition to filing any Form 8-K required by SEC rules. In all other cases, the Company may make the public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release. As described in IEX Rule 14.207(b)(1) and Supplementary Material .01 to IEX Rule 14.207 (Disclosure of Material Information), the Company must notify IEX Regulation about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify IEX Regulation at least ten minutes prior to the announcement. If the public announcement is made outside of System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify IEX Regulation of the announcement at least 10 minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the notification.

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.01 Disclosure of Written Notice of Staff Determination

IEX Rule 14.501(c) requires that a Company make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of (i) a notice that the Company does not meet a listing standard set forth in Chapter 14, (ii) a Staff Delisting Determination to limit or prohibit continued listing of the Company's securities under IEX Rule 14.501 as a result of the Company's failure to comply with the continued listing requirements, or (iii) a Public Reprimand Letter; provided, however, that if the notification relates to a failure to meet the requirements of IEX Rules 14.207(c)(1) or (2), the Company must make the public announcement by issuing a press release. Such public announcement shall be made as promptly as possible, but not more than four business days following the receipt of the notification, Staff Delisting Determination, or Public Reprimand Letter, as

applicable. In addition to containing all disclosure required by Form 8-K, if applicable, the public announcement must describe each specific basis and concern identified by IEX Regulation in its determination that the Company does not meet the listing standard and identify the Rules upon which the deficiency is based. For example, if the IEX Regulation determines to delist a Company based on its discretionary authority under IEX Rule 14.101, the Company must include in its public announcement the specific concerns cited in the Staff Delisting Determination. In addition, a Company may provide its own analysis of the issues raised in the Staff Delisting Determination.

If the public announcement is not made by the Company within the time allotted or does not include all of the required information, trading of its securities shall be halted (if not already halted), even if the Company appeals the Staff Delisting Determination or Public Reprimand Letter as set forth in IEX Rule 14.502, and IEX Regulation may make a public announcement with the required information. If the company's failure to make this public announcement is the only basis for a trading halt, IEX would ordinarily resume trading if IEX Regulation makes the public announcement. If the Company fails to make the public announcement by the time that the Hearings Panel issues its Decision, that Decision will also determine whether to delist the Company's securities for failure to make the public announcement.

IEX Rule 14.501(c) does not relieve a Company of its disclosure obligation under the federal securities laws, nor should it be construed as providing a safe harbor under the federal securities laws. It is suggested that the Company consult with corporate/securities counsel in assessing its disclosure obligations under the federal securities laws.

(d) Types of Deficiencies and Notifications

The type of deficiency at issue determines whether the Company will be immediately suspended and delisted, or whether it may submit a compliance plan for review or is entitled to an automatic cure or compliance period before a Staff Delisting Determination is issued. In the case of a deficiency not specified below, Staff will issue the Company a Staff Delisting Determination or a Public Reprimand Letter.

(1) Deficiencies that Immediately Result in a Staff Delisting Determination.

Staff's notice will inform the Company that its securities are immediately subject to suspension and delisting when:

(A) a Company fails to timely solicit proxies and hold its annual shareholders' meeting; or

(B) Staff has determined, under its discretionary authority in IEX Rule 14.101, that the Company's continued listing raises a public interest concern.

(2) Deficiencies for which a Company may Submit a Plan of Compliance for Staff Review.

(A) Submission of Plan of Compliance. Unless the Company is currently under review by the Listings Review Committee for a Staff Delisting Determination, IEX Regulation may accept and review a plan to regain compliance when a Company is deficient with respect to one of the standards listed in subsections (i) through (iv) below. In accordance with Rule 14.501(d)(2)(C), plans provided pursuant to subsections (i) through (iii) below must be provided generally within 45 calendar days, and in accordance with Rule 14.501(d)(2)(F), plans provided pursuant to subsection (iv) must be provided generally within 60 calendar days.

(i) all quantitative deficiencies from standards that do not provide a compliance period;

(ii) deficiencies from the standards of IEX Rules 14.405 (Board of Directors and Committees) or 14.407(a)(4)(C) (Independent Directors/Audit Committee of Limited Partnerships) where the cure period of the Rule is not applicable;

(iii) deficiencies from the standards of IEX Rules 14.408((c) {Quorum}, 14.411{Review of Related Party Transactions}, 14.412 {Shareholder Approval}, 14.207(c)(3) {Auditor Registration}, 14.208(a) {Direct

Registration Program}, 14.406 {Code of Conduct}, 14.407(a)(4)(E) {Quorum of Limited Partnerships}, 14.407(a)(4)(G) {Related Party Transactions of Limited Partnerships}, 14.413 {Voting Rights}, or 14.414 {Internal Audit Function}; or

(iv) failure to file periodic reports as required by IEX Rule 14.207(c)(1) or (2).

(B) Staff Alternatives Upon Review of Plan. Staff may request such additional information from the Company as is necessary to make a determination, as described below. In cases other than filing delinquencies, which are governed by IEX Rule 14.501(d)(2)(F) below, upon review of a plan of compliance, Staff may either:

(i) grant an extension of time to regain compliance not greater than 180 calendar days from the date of Staff's initial notification, unless the Company is currently under review by the Listings Review Committee for a Staff Delisting Determination. If Staff grants an extension, it will inform the Company in writing of the basis for granting the extension and the terms of the extension;

(ii) issue a Staff Delisting Determination letter that includes a description of the basis for denying the extension; or

(iii) issue a Public Reprimand Letter, as defined in IEX Rule 14.500(b)(5).

(C) Timeline for Submission of Compliance Plans. Except for deficiencies from the standards of IEX Rule 14.207(c)(1) or (2), Staff's notification of deficiencies that allow for compliance plan review will inform the Company that it has 45 calendar days to submit a plan to regain compliance with the Exchange's listing standard(s). Staff may extend this deadline for up to an additional 5 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension.

(D) Restrictions on Compliance Plans for Certain Deficiencies. Staff will not accept a plan to achieve compliance with deficiencies in total assets and total revenue, since compliance requires stated levels of assets and revenues during completed fiscal years and therefore can only be demonstrated through audited financial statements. Similarly, a Company may not submit a plan relying on partial-year performance to demonstrate compliance with these standards. A Company may, however, submit a plan that demonstrates current or near-term compliance with the listing requirement relating to stockholders' equity or Market Value of Listed Securities.

(E) Failure to Meet the Terms of a Staff Extension. If the Company does not regain compliance within the time period provided by all applicable Staff extensions, Staff will immediately issue a Staff Delisting Determination indicating the date on which the Company's securities will be suspended unless it requests review by a Hearings Panel.

(F) Filing Delinquencies. In the case of deficiencies from the standards of IEX Rule 14.207(c)(1) or (2):

(i) Staff's notice shall provide the Company with 60 calendar days to submit a plan to regain compliance with the listing standard; provided, however, that the Company shall not be provided with an opportunity to submit such a plan if review under IEX Rule 14.500 of a prior Staff Delisting Determination with respect to the Company is already pending. Staff may extend this deadline for up to an additional 15 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension.

(ii) The maximum additional time provided by all exceptions granted by Staff for a deficiency described in paragraph (i) above is 180 calendar days from the due date of the first late periodic report (as

extended by Rule 12b-25 under the Act, if applicable). In determining whether to grant an exception, and the length of any such exception, Staff will consider, and the Company should address in its plan of compliance, the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(3) Deficiencies for which the Rules Provide a Specified Cure or Compliance Period.

With respect to deficiencies related to the standards listed in (A) - (E) below, Staff's notification will inform the Company of the applicable cure or compliance period provided by these Rules and discussed below. If the Company does not regain compliance within the specified cure or compliance period, IEX Regulation will immediately issue a Staff Delisting Determination letter.

(A) Bid Price Requirement. A failure to meet the continued listing requirement for minimum bid price shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved during any compliance period by meeting the applicable standard for a minimum of 10 consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in IEX Rule 14.501(d)(3)(F).

(B) Market Makers. A failure to meet the continued listing requirement for a number of Market Makers shall be determined to exist only if the deficiency continues for a period of 10 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 30 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 30 day compliance period.

(C) Market Value of Listed Securities. A failure to meet the continued listing requirements for Market Value of Listed Securities shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 180 day compliance period.

(D) Market Value of Publicly Held Shares. A failure to meet the continued listing requirement for Market Value of Publicly Held Shares shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 180 day compliance period.

(E) Independent Director and Audit Committee Rules. If a Company fails to meet the majority board independence requirement in IEX Rule 14.405(b)(1) due to one vacancy, or because one director ceases to be independent for reasons beyond his/her reasonable control, IEX Regulation will promptly notify the Company and inform it has until the earlier of its next annual shareholders meeting or one year from the event that caused the deficiency to cure the deficiency. However, if the Company's next annual shareholders' meeting is held sooner than 180 days after the event that caused the deficiency, then the Company has 180 days from the event that caused the deficiency to cure it.

If a Company fails to meet the audit committee composition requirements in IEX Rule 14.405(c)(2) because an audit committee member ceases to be independent for reasons outside his/her control, IEX Regulation will promptly notify the Company and inform it that has until the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure, to cure the deficiency. If the Company fails to meet the audit committee composition requirement due to one vacancy on the audit committee, and the Company is not relying upon a cure period for another member, IEX Regulation will promptly notify the Company and inform it that it has until the earlier of its next annual shareholders meeting or one year from the event that caused the failure to cure the deficiency. However, if the Company's next annual shareholders' meeting is held sooner than 180 days after the event that caused the deficiency, then the Company has 180 days from the event that caused the deficiency to cure it.

(F) Staff Discretion Relating to the Price-based Requirements.: If a Company fails to meet the Market Value of Listed Securities, Market Value of Publicly Held Shares, or Bid Price requirements, each of which is related to the Company's security price and collectively called the "Price-based Requirements," compliance is generally achieved by meeting the requirement for a minimum of ten consecutive business days. However, Staff may, in its discretion, require a Company to satisfy the applicable Price-based Requirement for a period in excess of ten consecutive business days, but generally no more than 20 consecutive business days, before determining that the Company has demonstrated an ability to maintain long-term compliance. In determining whether to require a Company to meet the applicable Price-based-requirement beyond ten business days, Staff may consider all relevant facts and circumstances, including without limitation:

(i) the margin of compliance (the amount by which a Company exceeds the applicable Price-based requirement);

(ii) the trading volume (a lack of trading volume may indicate a lack of bona fide market interest in the security at the posted bid price);

(iii) the Market Maker quoting activity (the number of Market Makers quoting at or above $1.00 or the minimum price necessary to satisfy another Price-based Requirement; and the size of their quotes); and

(iv) the trend of the stock price (is it up or down).

(4) Public Reprimand Letter.

Staff's notification may be in the form of a Public Reprimand Letter in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and Staff determines that delisting is an inappropriate sanction. In determining whether to issue a public reprimand letter, IEX Regulation will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(e) Additional Deficiencies

IEX Regulation continues to evaluate the compliance of Companies while they are under review by the Listings Review Committee and may identify additional deficiencies. Upon identification of an additional deficiency, Staff will issue an additional notification of deficiency to the Company and send a copy to the Listings Review Committee.

(1) Staff's notification of the additional deficiency will conform to the requirements set forth in IEX Rule 14.501(b) if:

(A) the matter under review by the Listings Review Committee is a Public Reprimand Letter; or

(B) the additional deficiency identified is one that has an automatic cure or compliance period. If the additional deficiency is one that would in the normal course result in immediate suspension and delisting, or one for which the Company may submit a compliance plan to Staff for review, Staff's notification will instruct the Company to address the issue to the Listings Review Committee at its hearing, unless the hearing for the original deficiency has already taken place. If the hearing has already taken place, Staff's notification will instruct the Company to provide in writing, within a specified time period, a submission that addresses the deficiency to the Listings Review Committee before which its matter is pending.

Rule 14.502. Review of Staff Determinations by the Listings Review Committee

When a Company receives a Staff Delisting Determination or a Public Reprimand Letter issued by IEX Regulation it may request in writing that the Listings Review Committee review the matter in a written or an oral hearing. This section sets forth the procedures for requesting a hearing before the Listings Review Committee, describes the Listings Review Committee and the possible outcomes of a hearing, and sets forth Listings Review Committee procedures.

(a) Procedures for Requesting and Preparing for a Hearing

(1) Timely Request Stays Delisting

(A) A Company may, within seven calendar days of the date of the Staff Delisting Determination notification or Public Reprimand Letter request a written or oral hearing before the Listings Review Committee to review the Staff Delisting Determination or Public Reprimand Letter. Subject to the limitation in paragraph (B) below, a timely request for a hearing will stay the suspension and delisting action pending the issuance of a written Listings Review Committee Decision. Requests for hearings should be submitted in writing to the General Counsel.

(B) A request for a hearing shall ordinarily stay the delisting action pending the issuance of a Listings Review Committee Decision. However, if the Staff Delisting Determination relates to deficiencies from the standards of IEX Rule 14.207(c)(1) or (2), which require a Company to timely file its periodic reports with the Commission, the delisting action will only be stayed for 15 calendar days from the deadline to request a hearing unless the Company specifically requests and the Listings Review Committee grants a further stay. A request for a further stay must include an explanation of why such a stay would be appropriate and should be included in the Company's request for a hearing. Based on that submission and any recommendation provided by Staff, the Listings Review Committee will determine whether to grant the Company a further stay. In determining whether to grant the stay, the Listings Review Committee will consider the Company's specific circumstances, including the likelihood that the filing can be made within any exception period that could subsequently be granted, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. The Listings Review Committee will notify the Company of its conclusion as soon as is practicable, but in no event more than 15 calendar days following the deadline to request the hearing. In the event the Listings Review Committee determines not to grant the Company a stay, the Company's securities will be immediately suspended and will remain suspended unless the Listings Review Committee Decision issued after the hearing determines to reinstate the securities.

(2) Failure to Request Results in Immediate Delisting

If a Company fails to request in writing a hearing within seven calendar days, it waives its right to request review of a Delisting Determination or Public Reprimand Letter. In that event, IEX Regulation will take action to suspend trading of the securities and follow procedures to delist the securities.

(3) Fees

Within 15 calendar days of the date of the Staff Delisting Determination or Public Reprimand Letter the Company must submit a hearing fee to the Exchange, to cover the cost of the hearing, as follows:

(A) when the Company has requested a written hearing, $1,000; or

(B) when the Company has requested an oral hearing, whether in person or by telephone, $5,000.

(4) Scheduling of Hearings

The General Counsel will schedule hearings to take place, to the extent practicable, within 45 days of the request for a hearing, at a location determined by the General Counsel. The General Counsel will send written acknowledgment of the Company's hearing request and inform the Company of the date, time, and location of the hearing, and deadlines for written submissions to the Listings Review Committee. The Company will be provided at least ten calendar days notice of the hearing unless the Company waives such notice.

(5) Submissions from Company

The Company may submit to the General Counsel a written plan of compliance and request that the Listings Review Committee grant an exception to the listing standards for a limited time period, as permitted by IEX Rule 14.502(b)(1)(A) or may set forth specific grounds for the Company's contention that the issuance of a Staff Delisting Determination or Public Reprimand Letter was in error, and may also submit public documents or other written material in support of its position, including any information not available at the time of the Staff Determination. The Listings Review Committee will review the written record, as described in IEX Rule 14.505(a), before the hearing.

(6) Presentation at Hearing

At an oral hearing, the Company may make such presentation as it deems appropriate, including the appearance by its officers, directors, accountants, counsel, investment bankers, or other persons, and the Listings Review Committee may question any representative appearing at the hearing. Hearings are generally scheduled to last one hour, but the Hearings Panel may extend the time. The General Counsel or his or her designee will arrange for and keep on file a transcript of oral hearings.

(b) Scope of the Listing Review Committee's Discretion

(1) The Listing Review Committee may, where it deems appropriate:

(A) grant an exception to the continued listing standards for a period not to exceed 180 days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted;

(B) suspend and delist the Company's securities;

(C) issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 of the Act) and the Listings Review Committee determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Listings Review Committee will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders'

interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations;

(D) find the Company in compliance with all applicable listing standards; or

(E) in the case of a Company that fails to file a periodic report (e.g., Form 10-K, 10-Q, 20-F, 40-F, or N-CSR), the Listings Review Committee may grant an exception for a period not to exceed 360 days from the due date of the first such late periodic report. The Company can regain compliance with the requirement by filing that periodic report and any other delinquent reports with due dates falling before the end of the exception period. In determining whether to grant an exception, and the length of any such exception, the Listings Review Committee will consider the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(2) The Listings Review Committee may consider any failure to meet any quantitative or qualitative standard for continued listing, including failures previously not considered by Staff. The Company will be given written notice of such consideration and an opportunity to respond.

(3) Under the authority described in IEX Rule 14.101, the Listings Review Committee may subject the Company to additional or more stringent criteria for the continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes continued listing of the securities inadvisable or unwarranted in its opinion, even though the securities meet all enumerated criteria for continued listing on the Exchange.

(c) Listings Review Committee Procedures

(1) Decision

After the hearing, the General Counsel, on behalf of the Listings Review Committee, will issue a Decision that meets the requirements of IEX Rule 14.505(c) and has been approved by at least a majority of the members of the Listings Review Committee in attendance. The Listings Review Committee Decision shall be promptly provided to the Company, and is effective immediately upon issuance, unless it specifies to the contrary. If the Listings Review Committee is deadlocked, the Chair's vote shall count twice, or if the Chair is not in attendance, the vote of the next most senior member of the Listings Review Committee shall count twice.

(2) Form 25 Notification of Delisting

If the Listings Review Committee issues a Decision to delist the Company's securities, IEX Regulation will immediately take action to suspend trading of the securities, unless the Decision specifies to the contrary, and the Exchange will follow the procedures described in IEX Rule 14.503 to submit an application on Form 25 to the SEC to strike the security from listing.

(3) Procedures Applicable for Recurring Deficiencies

(A) Listings Review Committee Monitor

The Listings Review Committee may, after a Company regains compliance with all applicable listing standards, monitor the Company's continued compliance for up to one year after the compliance date, if the Listings Review Committee concludes that there is a likelihood that the issuer will fail to maintain compliance with one or more listing standards during that period. If the Listings Review Committee or

IEX Regulation determines that a Company under Listings Review Committee monitor fails any listing standard during the monitor period, the Staff will issue a Staff Delisting Determination and the General Counsel or his or her designee will promptly schedule a new hearing. The hearing may be oral or written, at the Company's election.

Notwithstanding IEX Rule 14.501(d)(2), the Company will not be permitted to provide IEX Regulation with a plan of compliance with respect to any deficiency that arises during the monitor period, and IEX Regulation will not be permitted to grant additional time for the Company to regain compliance with respect to any deficiency. The Listings Review Committee will consider the Company's compliance history when rendering its Decision.

(B) No Listings Review Committee Monitor

If the Listings Review Committee has not opted to monitor a Company that has regained compliance with the listing standards requiring the Company to maintain certain levels of stockholders' equity or to timely file periodic reports, and within one year of the date the Company regained compliance with such listing standard, IEX Regulation finds the Company again out of compliance with the requirement that was the subject of the exception, then, notwithstanding IEX Rule 14.501(d)(2), IEX Regulation will not allow the Company to provide it with a plan of compliance or grant additional time for the Company to regain compliance. Rather, IEX Regulation will promptly issue a Staff Delisting Determination, and the Company may request review by the Listings Review Committee. The Listings Review Committee will consider the Company's compliance history when rendering its Decision.

(4) Request for Listings Review Committee Reconsideration

A Company may request, in writing, that the Listings Review Committee reconsider a Listings Review Committee Decision only upon the basis that a mistake of material fact existed at the time of the Listings Review Committee Decision. The Company's request for reconsideration shall be made within seven calendar days of the date of issuance of the Listings Review Committee Decision. A Company's request for reconsideration will not stay a delisting determination or suspension of trading of the Company's securities, unless the Listings Review Committee, before the scheduled date for suspension, issues a written determination staying the suspension and/or reversing the determination to delist.

If the Listings Review Committee grants a Company's reconsideration request, it will issue a modified Decision meeting the requirements of IEX Rule 14.505(c) within 15 calendar days of the date of the original Listings Review Committee Decision.

Rule 14.503. Finality of Delisting Determination

When the Exchange has made a final determination to delist a Company's securities, it will follow procedures consistent with the Act to strike the security from listing. The Exchange's determination to delist a Company's securities is final when, after a Delisting Determination has been issued, all available reconsideration procedures and periods available under these Rules have expired.

The Exchange will issue a press release and post a notice on its website announcing its final determination to remove a security from listing, consistent with Rule 12d2-2 under the Act. Under Rule 12d2-2, the Exchange must disseminate this public notice not less than 10 days before the delisting becomes effective and maintain the website notice until the delisting is effective. Following the public notification, the Exchange will file an application on Form 25 with the Commission to delist the security, and will promptly provide a copy of that Form 25 to the Company. The delisting of the security becomes effective 10 days after the Form 25 is filed pursuant to Rule 12d2-2(d)(1) under the Act, unless the Commission postpones the delisting pursuant to Rule 12d2-2(d)(3).

Rule 14.504. Rules Applicable to the Listings Review Committee and Advisors

(a) Ex Parte Communications

(1) No Ex parte Communications

No member of the staff of IEX Regulation or its counsel, and no Company representative will make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding under this Section to the Listings Review Committee, any member thereof or any Advisor. Similarly, neither the Listings Review Committee, any member thereof nor any Advisor will make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding to a Company representative, a member of the staff of IEX Regulation or its counsel.

(2) If an ex parte communication as described in paragraph (1) is made, received or caused to be made, the person making such ex parte communication will place a copy of it, or its substance if it is an oral communication, in the record of the proceeding. Staff of IEX Regulation or the Company, as applicable, will be permitted to respond to the ex parte communication, and any response will be placed in the record of the proceeding.

(b) Recusal or Disqualification

No person will participate as a member of the Listings Review Committee, the staff of IEX Regulation, or Advisor to either thereof, in a matter as to which he or she has a conflict of interest or bias, or circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case, the person will recuse himself or herself, or will be disqualified. The Chair of the Listings Review Committee shall have authority to order the disqualification of a member of the Listings Review Committee and a majority of the Listings Review Committee excluding the Chair, shall have authority to order the disqualification of the Chair. A Company that has requested a review by the Listings Review Committee shall provide such information as determined by IEX necessary to enable IEX and the members of the Listing Review Committee, the staff of IEX Regulation, or an Advisor to either thereof to determine whether he or she has a conflict of interest or bias, or circumstances otherwise existing where his or her fairness might reasonably be questioned.

Rule 14.505. Adjudicatory Process: General Information

(a) Record on Review

At each proceeding under this Section, the written record may consist of the following items, as applicable: correspondence between the Exchange and the Company; the Company's public filings; information released to the public by the Company; written submissions, exhibits, or requests submitted by either the Company or IEX Regulation and responses thereto; and any additional information considered by the Listings Review Committee as part of the review process. The written record will be supplemented by the transcript of any hearings held during the review process and all Decisions issued.

At each review under this Section, the Company will be informed of the contents of the written record. The Company will be provided a copy of any documents in the record that were not provided by the Company or are not publicly available, at least three calendar days before the deadline for Company submissions, unless the Company waives this production.

If additional issues arising under Chapter 14 are considered, as permitted by IEX Rule 14.500, the notice of such consideration and any response to such notice shall be made a part of the record.

(b) Additional Information Requested or Considered

At each proceeding under this Section, the Listings Review Committee, as part of its review:

(1) may request additional information from the Company or IEX Regulation; and

(2) may consider additional information available from other sources it deems relevant. The Company and IEX Regulation will be afforded written notice and an opportunity to address the significance of any information requested or considered, and the notice, responses to the notice, and the information considered will be made part of the record.

(c) Contents of Decisions

Each Listings Review Committee written Decision will include:

(1) a statement describing the procedural history of the proceeding, including investigations or reviews undertaken by IEX Regulation;

(2) the quantitative or qualitative standard that the Company is alleged to have failed to satisfy;

(3) a statement setting forth the findings of fact with respect to the Company;

(4) the conclusions of the Listings Review Committee as to whether the Company has failed to satisfy the quantitative or qualitative standards for initial or continued listing; and

(5) a statement of the Listings Review Committee in support of its disposition of the matter, and, if applicable, the rationale for any exception to the initial or continued listing requirements granted.

(d) Correction of Clerical Errors

The Listings Review Committee may correct clerical or other non-substantive errors in its Decisions either on their own motion or at the request of a Company. A copy of any such corrected Decision will be provided to the Company.

(e) Computation and Adjustment of Time

(1) Except as described in paragraph (B) below, in counting any time under this Section, the day of the act, event, or default from which the period of time begins to run, is not to be included. The last day of the period is included, unless it is a Saturday, Sunday, federal holiday, or Exchange holiday in which case the period runs until the end of the next day that is not a Saturday, Sunday, federal holiday or Exchange holiday.

(2) When Staff determines whether a deficiency has occurred with respect to the Price, Market Value of Listed Securities, or Market Value of Publicly Held Shares requirements, the first trading day that the Price or Market Value is below required standards is included in computing the total number of consecutive trading days of default. Similarly, when Staff determines whether a Company has regained compliance with the Price, Market Value of Listed Securities, or Market Value of Publicly Held Shares requirements, the first trading day that the Price or Market Value is at or above required standards is included in computing the total number of consecutive trading days.

(3) If the Office of General Counsel determines that notice required to be provided under this Section was not properly given or that other extenuating circumstances exist, the Office of General Counsel may adjust the periods of time provided by the rules for the filing of written submissions, the scheduling of hearings, or the performance of other procedural actions by the Company or the Listings Review Committee, as applicable, to allow the Company or the Listings Review Committee the time contemplated by these rules.

(4) A Company may waive any notice period specified in this Section.

(f) Delivery of Documents

Delivery of any document under this Section may be made by electronic delivery, hand delivery, facsimile, regular mail, or overnight courier. Delivery will be considered timely if the electronic delivery, hand delivery, fax, or overnight

courier is received on or before the relevant deadline. If a Company has not specified a facsimile number, e-mail address, or street address, delivery will be made to the last known facsimile number, e-mail address, and street address. If a Company is represented by counsel or a representative, delivery may be made to the counsel or representative.

(g) Document Retention Procedures

Any document submitted to the Exchange in connection with a proceeding under this Section will be retained in accordance with applicable record retention policies.

(h) Documentation of Decisions

IEX Regulation or the Advisor to the Listings Review Committee, as applicable, shall document the date on which a Decision with respect to a Company is implemented.

(i) Re-Listing of a Company

A Company that has been the subject of a Decision by the Listings Review Committee to delist such Company shall be required, prior to re-listing, to comply with the requirements for initial listing. A Company that has been suspended but that has not been the subject of such a Decision shall be required, prior to re-listing, to comply with requirements for continued listing.

(j) Voluntary Delisting

(1) A Company may voluntarily terminate its listing upon compliance with all requirements of Rule 12d2-2(c) under the Act. In part, Rule 12d2-2(c) requires that the Company may delist by filing an application on Form 25 with the Commission, provided that the Company: (i) complies with all applicable laws in effect in the state in which it is incorporated and with the applicable IEX Rules; (ii) provides notice to the Exchange no fewer than 10 days before the Company files the Form 25 with the Commission, including a statement of the material facts relating to the reasons for delisting; and (iii) contemporaneous with providing notice to the Exchange, publishes notice of its intent to delist, along with its reasons therefore, via a press release and on its web site, it if has one. Any notice provided on the Company's web site pursuant to Rule 12d2-2(c) must remain available until the delisting has become effective. The Company must also provide a copy of the Form 25 to the Exchange simultaneously with its filing with the Commission. The Exchange will provide notice on its web site of the Company's intent to delist as required by Rule 12d2-2(c)(3).

(2) A Company that seeks to voluntarily delist a class of securities pursuant to IEX Rule 14.505(j)(1) that has received notice from the Exchange, pursuant to IEX Rule 14.500 or otherwise, that it fails to comply with one or more requirements for continued listing, or that is aware that it is below such continued listing requirements notwithstanding that it has not received such notice from the Exchange, must disclose this fact (including the specific continued listing requirement that it is below) in: (i) its statement of all material facts relating to the reasons for withdrawal from listing provided to the Exchange along with written notice of its determination to withdraw from listing required by Rule 12d2- 2(c)(2)(ii) under the Act; and (ii) its press release and web site notice required by Rule 12d2-2(c)(2)(iii) under the Act.

(k) Disclosure of Public Reprimand Letter

A Company that receives a Listings Review Committee Decision that serves as a Public Reprimand Letter must make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of the Decision, including the Rule(s) upon which the Decision was based. As described in IEX Rule 14.207(b)(1) and Supplementary Material .01 to IEX Rule 14.207, the Company must notify the IEX Regulation about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public

announcement is made during System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify IEX Regulation at least ten minutes prior to the announcement. If the public announcement is made outside of System Hours (as defined in IEX Rule 1.160(oo)), the Company must notify IEX Regulation of the announcement at least ten minutes prior to the start of System Hours (as defined in IEX Rule 1.160(oo)). The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the Decision.

(l) Disclosure by IEX

In order to maintain the quality of and public confidence in its market and to protect investors and the public interest, IEX may, at any level of a proceeding under this IEX Rule 14.500, make a public announcement, including by press release, describing a notification, Public Reprimand Letter, Staff Delisting Determination, Adjudicatory Body Decision, or other event involving a Company's listing or trading on IEX.

Rule 14.600. Listed Company Fees

Rule 14.601. Reserved.

CHAPTER 15. DUES, FEES, ASSESSMENTS AND OTHER CHARGES; EFFECTIVE DATE

Rule 15.110. Authority to Prescribe Dues, Fees, Assessments and Other Charges

(a) Generally. The Exchange may prescribe such reasonable dues, fees, assessments or other charges as it may, in its discretion, deem appropriate. Such dues, fees, assessments and charges may include membership dues, transaction fees, communication and technology fees, regulatory charges, listing fees, and other fees and charges as the Exchange may determine. All such dues, fees and charges shall be equitably allocated among Members, issuers and other persons using the Exchange's facilities.

(b) Regulatory Transaction Fee. Under Section 31 of the Act, the Exchange must pay certain fees to the Commission. To help fund the Exchange's obligations to the Commission under Section 31, this Regulatory Transaction Fee is assessed to Members. To the extent there may be any excess monies collected under this IEX Rule 15.110, the Exchange may retain those monies to help fund its general operating expense. Each Member engaged in executing transactions on the Exchange shall pay, in such manner and at such times as the Exchange shall direct, a Regulatory Transaction Fee equal to (i) the rate determined by the Commission to be applicable to covered sales occurring on the Exchange in accordance with Section 31 of the Act multiplied by (ii) the Member's aggregate dollar amount of covered sales occurring on the Exchange during any computational period.

(c) Trading Fees. The Exchange will provide Members with notice of all relevant dues, fees, assessments and charges of the Exchange. Such notice may be made available to Members on the Exchange's website or by any other method deemed reasonable by the Exchange.

(d) Connection Fees. To the extent the Exchange is charged a fee by a third party that results directly from a Member cross-connecting its trading hardware to the Exchange's System from another trading center's system that is located in the same data center as the Exchange, the Exchange will pass that fee on, in full, to the Member.

CHAPTER 16. OTHER SECURITIES

Rule 16.101. Preamble to the Listing Requirements for Other Securities

This section contains the requirements for listing other securities on IEX.

Rule 16.105. Exchange Traded Funds: Portfolio Depository Receipts and Index Fund Shares

(a) Portfolio Depository Receipts

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Portfolio Depository Receipt. The term "Portfolio Depository Receipt" means a security:

(i) that is based on a unit investment trust ("Trust") which holds the securities which comprise an index or portfolio underlying a series of Portfolio Depository Receipts;

(ii) that is issued by the Trust in a specified aggregate minimum number in return for a "Portfolio Deposit" consisting of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above;

(iii) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof then comprising the "Portfolio Deposit"; and

(iv) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the securities index or portfolio of securities underlying the Portfolio Depository Receipts, less certain expenses and other charges as set forth in the Trust prospectus.

(B) Reporting Authority. The term "Reporting Authority" in respect to a particular series of Portfolio Depository Receipts means IEX, a wholly- owned subsidiary of IEX, an institution (including the Trustee for a series of Portfolio Depository Receipts), or a reporting service designated by IEX or its subsidiary as the official source for calculating and reporting information relating to such series, including, but not limited to, any current index or portfolio value; the current value of the portfolio of securities required to be deposited to the Trust in connection with issuance of Portfolio Depository Receipts; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depository Receipts, net asset value, and other information relating to the creation, redemption or trading of Portfolio Depository Receipts.

Nothing in this paragraph shall imply that an institution or reporting service that is the source for calculating and reporting information relating to Portfolio Depository Receipts must be designated by IEX; the term "Reporting Authority" shall not refer to an institution or reporting service not so designated.

(C) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depository Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

(D) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that (a) is not registered under Sections 12(b) or 12(g) of the Act, (b) is issued by an entity that is not organized, domiciled or incorporated in the United States, and (c) is issued by an entity that is an operating company (including Real Estate Investment Trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).

(2) IEX requires that Members provide to all purchasers of a series of Portfolio Depository Receipts a written description of the terms and characteristics of such securities, not later than the time a confirmation of the first

transaction in such series is delivered to such purchaser. In addition, Members shall include such a written description with any sales material relating to a series of Portfolio Depository Receipts that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to a series of Portfolio Depository Receipts as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Portfolio Depository Receipts] has been prepared by [Trust name] and is available from your broker or IEX. It is recommended that you obtain and review such circular before purchasing [the series of Portfolio Depository Receipts]. In addition, upon request you may obtain from your broker a prospectus for [the series of Portfolio Depository Receipts]."

A Member carrying an omnibus account for a non-Member broker-dealer is required to inform such non-Member that execution of an order to purchase a series of Portfolio Depository Receipts for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members and member organizations under this IEX Rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular series of Portfolio Depository Receipts.

(3) Equity. IEX may approve a series of Portfolio Depository Receipts for listing and trading pursuant to Rule 19b-4(e) under the Act, provided each of the following criteria is satisfied:

(A) Eligibility Criteria for Index Components.

(i) U.S. Index or Portfolio. Upon the initial listing of a series of Portfolio Depository Receipts pursuant to Rule 19b-4(e) under the Act, the component stocks of an index or portfolio of U.S. Component Stocks underlying such series of Portfolio Depository Receipts shall meet the following criteria:

(a) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least $75 million;

(b) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum monthly trading volume during each of the last six months of at least 250,000 shares;

(c) The most heavily weighted component stock shall not exceed 30% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 65% of the weight of the index or portfolio;

(d) The index or portfolio shall include a minimum of 13 component stocks; and

(e) All securities in the index or portfolio shall be U.S. Component Stocks listed on IEX or another national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

(ii) International or global index or portfolio. Upon the initial listing of a series of Portfolio Depository Receipts pursuant to Rule 19b-4(e) under the Act, the components of an index or portfolio underlying a series of Portfolio Depository Receipts that consist of either only Non-U.S. Component Stocks or both U.S. Component Stocks and Non-U.S. Component Stocks shall meet the following criteria:

(a) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least $100 million;

(b) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum worldwide monthly trading volume during each of the last six months of at least 250,000 shares;

(c) The most heavily weighted component stock shall not exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 60% of the weight of the index or portfolio;

(d) The index or portfolio shall include a minimum of 20 component stocks; and

(e) Each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(iii) Index or portfolio approved in connection with derivative securities. Upon the initial listing of a series of Portfolio Depository Receipts pursuant to Rule 19b-4(e) under the Act, the index or portfolio underlying a series of Portfolio Depository Receipts shall have been reviewed and approved for trading of options, Portfolio Depository Receipts, Index Fund Shares, index-linked exchangeable notes, or index-linked securities by the Commission under Section 19(b)(2) of the Act and rules thereunder, and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information, continue to be satisfied. Each component stock of the index or portfolio shall be either

(a) a U.S. Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act; or

(b) a Non-U.S. Component Stock that is listed and traded on an exchange that has last-sale reporting.

(B) Index Methodology and Calculation.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value for Portfolio Depository Receipts listed pursuant to:

(a) Rule 16.105(a)(3)(A)(i) will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Regular Market Session.

(b) Rule 16.105(a)(3)(A)(ii) will be widely disseminated by one or more major market data vendors at least every 60 seconds during the Regular Market Session; or

(c) Rule 16.105(a)(3)(A)(iii) will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during the Regular Market Session.

If the index value does not change during some or all of the period when trading is occurring on IEX (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout IEX's system hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(C) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depository Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during the Regular Market Session. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during the Regular Market Session to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on IEX, then the last official calculated Intraday Indicative Value must remain available throughout IEX's system hours.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depository Receipts is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. FINRA will implement written surveillance procedures for Portfolio Depository Receipts.

(F) Creation and redemption. For Portfolio Depository Receipts listed pursuant to IEX Rule 16.105(a)(3)(A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Portfolio Depository Receipts must state that the Trust must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(4) Fixed Income. Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or subdivision thereof. IEX may approve a series of Portfolio Depositary Receipts based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index: (i) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) the following criteria are satisfied:

(A) Eligibility Criteria for Index Components. Upon the initial listing of a series of Portfolio Depositary Receipts pursuant to Rule 19b-4(e) under the Act, each component of an index or portfolio that underlies a series of Portfolio Depositary Receipts shall meet the following criteria:

(i) the index or portfolio must consist of Fixed Income Securities;

(ii) components that in aggregate account for at least 75% of the weight of the index or portfolio must have a minimum original principal amount outstanding of $100 million or more;

(iii) a component may be a convertible security, however, once the convertible security component converts to an underlying equity security, the component is removed from the index or portfolio;

(iv) no component fixed-income security (excluding Treasury Securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 65% of the weight of the index or portfolio;

(v) an underlying index or portfolio (excluding exempted securities) must include securities from a minimum of 13 non-affiliated issuers; and

(vi) component securities that in aggregate account for at least 90% of the weight of the index or portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (d) exempted securities as defined in section 3(a)(12) of the Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) Index Methodology and Calculation.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(ii) the current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(5) IEX may approve a series of Portfolio Depositary Receipts based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) each index has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in IEX Rule 16.105(a)(3) or (4) above.

(A) Index Methodology and Calculation.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(ii) the current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during the Regular Market Session, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the Regular Market Session, and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index composition, methodology and related matters, must implement and

maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(6) The following provisions shall apply to all series of Portfolio Depositary Receipts listed pursuant IEX Rules 16.105(a)(4) and (5) above:

(B) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depositary Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by IEX or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services.

(C) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depositary Receipts is required to be outstanding at start-up of trading.

(D) Surveillance Procedures. FINRA will implement written surveillance procedures for Portfolio Depositary Receipts.

(7) Regular Market Session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Portfolio Depository Receipts, as specified by IEX. In addition, IEX may designate each series of Portfolio Depository Receipts for trading during the Pre-Market Session beginning at 4:00 a.m. and/or the Post-Market Session ending at 8:00 p.m.

(8) IEX may list and trade Portfolio Depository Receipts based on one or more indexes or portfolios. The Portfolio Depository Receipts based on each particular index or portfolio, or combination thereof, shall be designated as a separate series and shall be identified by a unique symbol. The components of an index or portfolio on which Portfolio Depository Receipts are based shall be selected by IEX or its agent, a wholly- owned subsidiary of IEX, or by such other person as shall have a proprietary interest in and authorized use of such index or portfolio, and may be revised from time to time as may be deemed necessary or appropriate to maintain the quality and character of the index or portfolio.

(9) A Trust upon which a series of Portfolio Depository Receipts is based will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing.

(i) for each Trust, IEX will establish a minimum number of Portfolio Depository Receipts required to be outstanding at the time of commencement of trading on IEX.

(ii) IEX will obtain a representation from the issuer of each series of Portfolio Depository Receipts that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing.

(i) IEX will consider the suspension of trading in or removal from listing of a Trust upon which a series of Portfolio Depository Receipts is based under any of the following circumstances:

(a) if, following the initial twelve month period after the formation of a Trust and commencement of trading on IEX, the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Portfolio Depository Receipts for 30 or more consecutive trading days;

(b) if the value of the index or portfolio of securities on which the Trust is based is no longer calculated or available or the index or portfolio on which the Trust is based is replaced with a new index or portfolio, unless the new index or portfolio meets the requirements of this IEX Rule 16.105(a) for listing either pursuant to Rule 19b-4(e) under the Act (including the filing of a Form 19b-4(e) with the Commission) or by Commission approval of a filing pursuant to Section 19(b)(2) of the Act; or

(c) if such other event shall occur or condition exists which in the opinion of IEX, makes further dealings on IEX inadvisable.

Upon termination of a Trust, IEX requires that Portfolio Depository Receipts issued in connection with such Trust be removed from listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(C) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Voting. Voting rights shall be as set forth in the Trust prospectus. The Trustee of a Trust may have the right to vote all of the voting securities of such Trust.

(10) Neither IEX, the Reporting Authority nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value, the current value of the portfolio of securities required to be deposited to the Trust; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depository Receipts; net asset value; or other information relating to the creation, redemption or trading of Portfolio Depository Receipts, resulting from any negligent act or omission by IEX, the Reporting Authority, or any agent of IEX or any act, condition or cause beyond the reasonable control of IEX, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in one or more underlying securities.

(b) Index Fund Shares

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Index Fund Share. The term "Index Fund Share" means a security:

(i) that is issued by an open-end management investment company based on a portfolio of stocks or fixed income securities or a combination thereof, that seeks to provide investment results that correspond generally to the price and yield performance or total return performance of a specified foreign or domestic stock index, fixed income securities index or combination thereof;

(ii) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above, with a value equal to the next determined net asset value; and

(iii) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof, with a value equal to the next determined net asset value.

(B) Index Fund Share – continued.

(i) The term "Index Fund Share" includes a security issued by an open- end management investment company that seeks to provide investment results that either exceed the performance of a specified domestic equity, international or global equity, or fixed income index or a combination thereof by a specified multiple or that correspond to the inverse (opposite) of the performance of a specified domestic equity, international or global equity, or fixed income index or a combination thereof by a specified multiple. Such a security is issued in a specified aggregate number in return for a deposit of a specified number of shares of stock, a specified portfolio of fixed income securities or a combination of the above and/or cash as defined in subparagraph (1)(B)(ii) of this IEX Rule with a value equal to the next determined net asset value. When aggregated in the same specified minimum number, Index Fund Shares may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock, fixed income securities or a combination thereof and/or cash with a value equal to the next determined net asset value.

(ii) In order to achieve the investment result that it seeks to provide, such an investment company may hold a combination of financial instruments, including, but not limited to, stock index futures contracts; options on futures contracts; options on securities and indices; equity caps, collars and floors; swap agreements; forward contracts; repurchase agreements and reverse repurchase agreements (the "Financial Instruments"), but only to the extent and in the amounts or percentages as set forth in the registration statement for such Index Fund Shares.

(iii) Any open-end management investment company which issues Index Fund Shares referenced in this subparagraph (1)(B) that seeks to provide investment results, before fees and expenses, in an amount that exceeds -300% of the percentage performance on a given day of a particular domestic equity, international or global equity or fixed income securities index or a combination thereof shall not be approved by the Exchange for listing and trading pursuant to Rule 19b-4(e) under the Act.

(iv) For the initial and continued listing of a series of Index Fund Shares referenced in the provisions of this subparagraph (1)(B) of this IEX Rule, the following requirements must be adhered to: Daily public website disclosure of portfolio holdings that will form the basis for the calculation of the net asset value by the issuer of such series, including, as applicable, the following instruments:

(a) The identity and number of shares held of each specific equity security;

(b) The identity and amount held for each specific fixed income security;

(c) The specific types of Financial Instruments and characteristics of such Financial Instruments; and

(d) Cash equivalents and the amount of cash held in the portfolio.

If the Exchange becomes aware that the net asset value related to an Index Fund Shares included in the provisions of this subparagraph (1)(B)(ii) of this IEX Rule, is not being disseminated to all market participants at the same time or the daily public website disclosure of portfolio holdings does not occur, the Exchange shall halt trading in such series of Index Fund Share, as appropriate. The Exchange may resume trading in such Index Fund Shares only when the net asset value is disseminated to all market participants at the same time or the daily public website disclosure of portfolio holdings occurs, as appropriate.

(C) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Index Fund Shares means IEX, a wholly-owned subsidiary of IEX, or an institution or reporting service designated by IEX or its subsidiary as the official source for calculating and reporting information relating to such series,

including, but not limited to, any current index or portfolio value; the current value of the portfolio of any securities required to be deposited in connection with issuance of Index Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Index Fund Shares, net asset value, and other information relating to the issuance, redemption or trading of Index Fund Shares.

Nothing in this paragraph shall imply that an institution or reporting service that is the source for calculating and reporting information relating to Index Fund Shares must be designated by IEX; the term "Reporting Authority" shall not refer to an institution or reporting service not so designated.

(D) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depository Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

(E) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that (a) is not registered under Sections 12(b) or 12(g) of the Act, (b) is issued by an entity that is not organized, domiciled or incorporated in the United States, and (c) is issued by an entity that is an operating company (including Real Estate Investment Trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).

(2) IEX requires that Members provide to all purchasers of a series of Index Fund Shares a written description of the terms and characteristics of such securities, in a form prepared by the open-end management investment company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include such a written description with any sales material relating to a series of Index Fund Shares that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to a series of Index Fund Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Index Fund Shares] has been prepared by the [open-end management investment company name] and is available from your broker or IEX. It is recommended that you obtain and review such circular before purchasing [the series of Index Fund Shares]. In addition, upon request you may obtain from your broker a prospectus for [the series of Index Fund Shares]."

A Member carrying an omnibus account for a non-Member broker-dealer is required to inform such non-Member that execution of an order to purchase a series of Index Fund Shares for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members and member organizations under this IEX Rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular series of Index Fund Shares.

(3) Equity. IEX may approve a series of Index Fund Shares for listing and trading pursuant to Rule 19b-4(e) under the Act provided each of the following criteria is satisfied:

(A) Eligibility Criteria for Index Components.

(i) U.S. Index or Portfolio. Upon the initial listing of a series of Index Fund Shares pursuant to 19b-4(e) under the Act, the component stocks of an index or portfolio of U.S. Component Stocks underlying a series of Index Fund Shares shall meet the following criteria:

(b) Component stocks (excluding "Derivative Securities Products" as defined in this subsection a.) that in the aggregate account for at least 90% of the weight of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum market value of at least $75 million;

"Derivative Securities Products" include the following: Exchange Traded Funds consisting of Portfolio Depository Receipts and Index Fund Shares (IEX Rule 16.105); Trust Issued Receipts (IEX Rule 16.120); Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Shares, (IEX Rule 16.111); and Managed Fund Shares (IEX Rule 16.135).

(c) Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 70% of the weight of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum monthly trading volume of 250,000 shares or minimum notional volume traded per month of $25,000,000, averaged over the last six months;

(d) The most heavily weighted component stock (excluding Derivative Securities Products) shall not exceed 30% of the weight of the index or portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products) shall not exceed 65% of the weight of the index or portfolio;

(e) The index or portfolio shall include a minimum of 13 component stocks; provided, however, that there shall be no minimum number of component stocks if either one or more series of Index Fund Shares or Portfolio Depositary Receipts constitute, at least in part, components underlying a series of Index Fund Shares, or one or more series of Derivative Securities Products account for 100% of the weight of the index or portfolio; and

(f) All securities in the index or portfolio shall be U.S. Component Stocks listed on IEX or another national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

(ii) International or global index or portfolio. Upon the initial listing of a series of Index Fund Shares pursuant to Rule 19b-4(e) under the Act, the components of an index or portfolio underlying a series of Index Fund Shares that consist of either only Non-U.S. Component Stocks or both. U.S. Component Stocks and Non-U.S. Component Stocks shall meet the following criteria:

(a) component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 90% of the weight of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum market value of at least $100 million;

(b) component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 70% of the weight of the index or portfolio (excluding Derivative Securities Products) each shall have a minimum worldwide monthly trading volume of at least 250,000 shares, or minimum global notional volume traded per month of $25,000,000, averaged over the last six months;

(c) the most heavily weighted component stock (excluding Derivative Securities Products) shall not exceed 25% of the weight of the index or portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products) shall not exceed 60% of the weight of the index or portfolio;

(d) the index or portfolio shall include a minimum of 20 component stocks; provided, however, that there shall be no minimum number of component stocks if either one or more series of Index Fund Shares or Portfolio Depositary Receipts constitute, at least in part, components underlying a series of Index Fund Shares, or one or more series of Derivative Securities Products account for 100% of the weight of the index or portfolio; and

(e) each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(iii) Index or portfolio approved in connection with derivative securities. Upon the initial listing of a series of Index Fund Shares pursuant to Rule 19b-4(e) under the Act, the index or portfolio underlying a series of Index Fund Shares shall have been reviewed and approved for trading of options, Portfolio Depository Receipts, Index Fund Shares, index-linked exchangeable notes, or index-linked securities by the Commission under Section 19(b)(2) of the Act and rules thereunder, and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information, continue to be satisfied. Each component stock of the index or portfolio shall be either

(a) a U.S. Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, or

(b) a Non-U.S. Component Stock that is listed and traded on an exchange that has last-sale reporting.

(B) Index Methodology and Calculation

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value for Index Fund Shares listed pursuant to:

(a) IEX Rule 16.105(b)(3)(A)(i) will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Regular Market Session;

(b) IEX Rule 16.105(b)(3)(A)(ii) will be widely disseminated by one or more major market data vendors at least every 60 seconds during the Regular Market Session; or

(c) IEX Rule 16.105(b)(3)(A)(iii) will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during the Regular Market Session.

If the index value does not change during some or all of the period when trading is occurring on IEX (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout IEX's system hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(C) Disseminated Information. The Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during the Regular Market Session. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit

creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during the Regular Market Session; to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on IEX, then the last official calculated Intraday Indicative Value must remain available throughout IEX's system hours.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. FINRA will implement written surveillance procedures for Index Fund Shares.

(F) Creation and redemption. For Index Fund Shares listed pursuant to IEX Rule 16.105(b)(3)(A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Index Fund Shares must state that the series of Index Fund Shares must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(4) Fixed Income. Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or subdivision thereof. IEX may approve a series of Index Fund Shares based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index: (i) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) the following criteria are satisfied:

(A) Eligibility Criteria for Index Components. Upon the initial listing of Index Fund Shares pursuant to Rule 19b-4(e) under the Act, each component of an index or portfolio that underlies a series of Index Fund Shares shall meet the following criteria:

(i) The index or portfolio must consist of Fixed Income Securities;

(ii) Components that in aggregate account for at least 75% of the weight of the index or portfolio must have a minimum original principal amount outstanding of $100 million or more;

(iii) A component may be a convertible security, however, once the convertible security component converts to an underlying equity security, the component is removed from the index or portfolio;

(iv) No component fixed-income security (excluding Treasury Securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 65% of the weight of the index or portfolio;

(v) An underlying index or portfolio (excluding one consisting entirely of exempted securities) must include securities from a minimum of 13 non- affiliated issuers; and

(vi) Component securities that in aggregate account for at least 90% of the weight of the index or portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal

amount of at least $1 billion; (d) exempted securities as defined in section 3(a)(12) of the Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) Index Methodology and Calculation.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(ii) The current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(5) IEX may approve a series of Index Fund Shares based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) such portfolio or combination of indexes has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in IEX Rule 16.105(b)(3) or (4) above.

(A) Index Methodology and Calculation.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during the Regular Market Session, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the Regular Market Session, and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(6) The following provisions shall apply to all series of Index Fund Shares listed pursuant IEX Rules 16.105(b)(4) and (5) above:

(A) Disseminated Information. The Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by IEX or by an

independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services.

(B) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

(C) Surveillance Procedures. FINRA will implement written surveillance procedures for Index Fund Shares.

(7) Regular Market Session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Index Fund Shares, as specified by IEX. In addition, IEX may designate each series of Index Fund Shares for trading during the Pre-Market Session beginning at 4:00 a.m. and/or the Post-Market Session ending at 8:00 p.m.

(8) IEX may list and trade Index Fund Shares based on one or more foreign or domestic indexes or portfolios. Each issue of Index Fund Shares based on each particular index or portfolio, or combination thereof, shall be designated as a separate series and shall be identified by a unique symbol. The components that are included in an index or portfolio on which a series of Index Fund Shares are based shall be selected by such person, which may be IEX or an agent or wholly-owned subsidiary thereof, as shall have authorized use of such index or portfolio. Such index or portfolio may be revised from time to time as may be deemed necessary or appropriate to maintain the quality and character of the index or portfolio.

(9) Each series of Index Fund Shares will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing.

(i) for each series, IEX will establish a minimum number of Index Fund Shares required to be outstanding at the time of commencement of trading on IEX.

(ii) IEX will obtain a representation from the issuer of each series of Index Fund Shares that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing.

(i) IEX will consider the suspension of trading in or removal from listing of a series of Index Fund Shares under any of the following circumstances:

(a) if, following the initial twelve month period after commencement of trading on IEX of a series of Index Fund Shares, there are fewer than 50 beneficial holders of the series of Index Fund Shares for 30 or more consecutive trading days;

(b) if the value of the index or portfolio of securities on which the series of Index Fund Shares is based is no longer calculated or available or the index or portfolio on which the series of Index Fund Shares is based is replaced with a new index or portfolio, unless the new index or portfolio meets the requirements of this IEX Rule 16.105(b) for listing either pursuant to Rule 19b-4(e) under the Act (including the filing of a Form 19b-4(e) with the Commission) or by Commission approval of a filing pursuant to Section 19(b)(2) of the Act; or

(c) if such other event shall occur or condition exists which in the opinion of IEX, makes further dealings on IEX inadvisable.

Upon termination of an open-end management investment company, IEX requires that Index Fund Shares issued in connection with such entity be removed from listing.

(C) Voting. Voting rights shall be as set forth in the applicable open-end management investment company prospectus.

(10) Neither IEX, the Reporting Authority, nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value, the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of Index Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Index Fund Shares; net asset value; or other information relating to the purchase, redemption or trading of Index Fund Shares, resulting from any negligent act or omission by IEX, the Reporting Authority or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in one or more underlying securities.

Rule 16.110. Securities Linked to the Performance of Indexes and Commodities (Including Currencies)

IEX will consider for listing and trading equity index-linked securities ("Equity Index-Linked Securities") and commodity-linked securities ("Commodity-Linked Securities"), fixed income index-linked securities ("Fixed Income Index-Linked Securities"), futures-linked securities ("Futures-Linked Securities") and multifactor index-linked securities ("Multifactor Index-Linked Securities" and, together with Equity Index- Linked Securities, Commodity-Linked Securities, Fixed Income Index- Linked Securities and Futures-Linked Securities, "Linked Securities") that in each case meet the applicable criteria of this IEX Rule.

Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying equity index or indexes (an "Equity Reference Asset").

The payment at maturity with respect to Commodity-Linked Securities is based on one or more physical Commodities or Commodity futures, options or other Commodity derivatives, Commodity-Related Securities, or a basket or index of any of the foregoing (any such basis for payment is referred to below as the "Commodity Reference Asset"). The terms "Commodity" and "Commodity-Related Security" are defined in IEX Rule 16.127.

The payment at maturity with respect to Fixed Income Index-Linked Securities is based on the performance of one or more indexes or portfolios of notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof or a basket or index of any of the foregoing (a "Fixed Income Reference Asset").

The payment at maturity with respect to Futures-Linked Securities is based on the performance of an index of (a) futures on Treasury Securities, GSE Securities, supranational debt and debt of a foreign country or a subdivision thereof, or options or other derivatives on any of the foregoing; or (b) interest rate futures or options or derivatives on the foregoing in this subparagraph (b); or (c) CBOE Volatility Index (VIX) Futures (a "Futures Reference Asset").

The payment at maturity with respect to Multifactor Index-Linked Securities is based on the performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Fixed Income Reference Assets or Futures Reference Assets (a "Multifactor Reference Asset", and together with Equity Reference Asset, Commodity Reference Asset, Fixed Income Reference Asset and Futures Reference Asset, "Reference Assets"). A Multifactor Reference Asset may include as a component a notional investment in cash or a cash equivalent based on a widely

accepted overnight loan interest rate, LIBOR, Prime Rate, or an implied interest rate based on observed market spot and foreign currency forward rates.

Linked Securities may or may not provide for the repayment of the original principal investment amount. IEX may submit a rule filing pursuant to Section 19(b)(2) of the Act to permit the listing and trading of Linked Securities that do not otherwise meet the standards set forth below in paragraphs (a) through (k). IEX will consider Linked Securities for listing and trading pursuant to Rule 19b-4(e) under the Act, provided:

(a) Both the issue and the issuer of such security meet the criteria for other securities set forth in IEX Rule 16.130(a), except that if the security is traded in $1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, then no minimum number of holders and no minimum public distribution of trading units shall be required.

(b) The issue has a term of not less than one (1) year and not greater than thirty (30) years.

(c) The issue must be the non-convertible debt of the Company.

(d) The payment at maturity may or may not provide for a multiple of the direct or inverse performance of an underlying index, indexes or Reference Asset; however, in no event will a loss (negative payment) at maturity be accelerated by a multiple that exceeds three times the performance of an underlying index, indexes or Reference Asset.

(e) The Company will be expected to have a minimum tangible net worth in excess of $250,000,000 and income from continuing operations before income taxes of at least $1,200,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years. In the alternative, the Company will be expected: (i) to have a minimum tangible net worth of $150,000,000 and income from continuing operations before income taxes of at least $1,200,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years, and (ii) not to have issued securities where the original issue price of all the Company's other index-linked note offerings (combined with index-linked note offerings of the Company's affiliates) listed on a national securities exchange exceeds 25% of the Company's net worth.

(f) The Company is in compliance with Rule 10A-3 under the Act.

(g) Maintenance and Dissemination—(i) If the index is maintained by a broker-dealer, the broker-dealer shall erect a "firewall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer. (ii) Unless the Commission order applicable under paragraph (k) hereof provides otherwise, the current value of the index or the Reference Asset (as applicable) will be widely disseminated at least every 15 seconds during the Regular Market Session, except as provided in the next clause (iii). (iii) The values of the following indexes need not be calculated and widely disseminated at least every 15 seconds if, after the close of trading, the indicative value of the Equity Index-Linked Security based on one or more of such indexes is calculated and disseminated to provide an updated value: CBOE S&P 500 BuyWrite Index(sm), CBOE DJIA Buy Write Index(sm), CBOE NASDAQ-100 BuyWrite Index(sm). (iv) If the value of a Linked Security is based on more than one index, then the dissemination requirement of this paragraph (g) applies to the composite value of such indexes. (v) In the case of a Commodity-Linked Security that is periodically redeemable, the indicative value of the subject Commodity-Linked Security must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the Regular Market Session.

(h) Trading Halts. In the case of Linked Securities, if the indicative value (if required to be disseminated) or the Reference Asset value is not being disseminated as required, or if the value of the index is not being disseminated as required, IEX may halt trading during the day on which such interruption occurs. IEX will halt trading no later than the beginning of trading following the trading day when the interruption commenced if such interruption persists at this time.

(i) Surveillance Procedures. FINRA will implement on behalf of IEX written surveillance procedures for Linked Securities. IEX will enter into adequate comprehensive surveillance sharing agreements for non-U.S. securities, as applicable.

(j) Linked Securities will be treated as equity instruments. Furthermore, for the purpose of fee determination, Linked Securities shall be deemed and treated as Other Securities.

(k) Linked Securities

(1) Equity Index-Linked Securities Criteria

(A) In the case of an Equity Index-Linked Security, each underlying index is required to have at least ten (10) component securities. In addition, the index or indexes to which the security is linked shall either:

(i) have been reviewed and approved for the trading of options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or

(ii) the index or indexes meet the following criteria:

(a) Each component security has a minimum market value of at least $75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market value can be at least $50 million;

(b) Each component security shall have trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume shall be at least 500,000 shares in each of the last six months;

(c) Indexes based upon the equal-dollar or modified equal-dollar weighting method will be rebalanced at least semiannually;

(d) In the case of a capitalization-weighted or modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;

(e) No underlying component security will represent more than 25% of the weight of the index, and the five highest weighted component securities in the index do not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 component securities);

(f) 90% of the index's numerical value and at least 80% of the total number of component securities will meet the then current criteria for standardized option trading on a national securities exchange or a national securities association, provided, however, that an index will not be subject to this requirement if (a) no underlying component security represents more than 10% of the dollar weight of the index and (b) the index has a minimum of 20 components; and

(g) All component securities shall be either (A) securities (other than securities of a foreign issuer and American Depository Receipts ("ADRs")) that are (i) issued by a 1934 Act

reporting company or by an investment company registered under the Investment Company Act of 1940 that, in each case, has securities listed on a national securities exchange and (ii) an "NMS stock" (as defined in Rule 600 of Regulation NMS under the Act), or (B) securities of a foreign issuer or ADRs, provided that securities of a foreign issuer (including when they underlie ADRs) whose primary trading market outside the United States is not a member of the Intermarket Surveillance Group ("ISG") or a party to a comprehensive surveillance sharing agreement with IEX will not in the aggregate represent more than 20% of the dollar weight of the index.

(B) Continued Listing Criteria

(i) IEX will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), if any of the standards set forth above in paragraph A are not continuously maintained, except that:

(a) the criteria that no single component represent more than 25% of the dollar weight of the index and the five highest dollar weighted components in the index cannot represent more than 50% (or 60% for indexes with less than 25 components) of the dollar weight of the index, need only be satisfied at the time the index is rebalanced; and

(b) Component stocks that in the aggregate account for at least 90% of the weight of the index each shall have a minimum global monthly trading volume of 500,000 shares, or minimum global notional volume traded per month of $12,500,000, averaged over the last six months.

(ii) In connection with an Equity Index-Linked Security that is listed pursuant to paragraph (i)(A)(1) above, IEX will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index- Linked Security) if an underlying index or indexes fails to satisfy the maintenance standards or conditions for such index or indexes as set forth by the Commission in its order under Section 19(b)(2) of the Act approving the index or indexes for the trading of options or other derivatives.

(iii) IEX will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), under any of the following circumstances:

(a) if the aggregate market value or the principal amount of the Equity Index-Linked Securities publicly held is less than $400,000;

(b) if the value of the index or composite value of the indexes is no longer calculated or widely disseminated on at least a 15-second basis with respect to indexes containing only securities listed on a national securities exchange, or on at least a 60- second basis with respect to indexes containing foreign country securities, provided, however, that, if the official index value does not change during some or all of the period when trading is occurring on IEX (for example, for indexes of foreign country securities, because of time zone differences or holidays in the countries where such indexes' component stocks trade) then the last calculated official index value must remain available throughout IEX system hours; or

(c) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

(iv) Equity-Linked Index Rebalancing. Equity-Linked Indexes will be rebalanced at least annually.

(2) Reference Asset Criteria for Commodity-Linked Securities

(A) In the case of a Commodity-Linked Security, the Reference Asset shall meet the criteria in either subparagraph (1) or subparagraph (2) below:

(i) The Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Commodity-Related Securities or options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied.

(ii) The pricing information for each component of a Reference Asset other than a Currency must be derived from a market which is an ISG member or affiliate or with which IEX has a comprehensive surveillance sharing agreement. Notwithstanding the previous sentence, pricing information for gold and silver may be derived from the London Bullion Market Association. The pricing information for each component of a Reference Asset that is a Currency must be either: (1) the generally accepted spot price for the currency exchange rate in question; or (2) derived from a market of which (a) is an ISG member or affiliate or with which IEX has a comprehensive surveillance sharing agreement and (b) is the pricing source for a currency component of a Reference Asset that has previously been approved by the Commission. A Reference Asset may include components representing not more than 10% of the dollar weight of such Reference Asset for which the pricing information is derived from markets that do not meet the requirements of this subparagraph (2), provided, however, that no single component subject to this exception exceeds 7% of the dollar weight of the Reference Asset. The term "Currency," as used in this subparagraph, shall mean one or more currencies, or currency options, futures, or other currency derivatives, Commodity-Related Securities if their underlying Commodities are currencies or currency derivatives, or a basket or index of any of the foregoing.

(B) The issue must meet the following continued listing criteria:

(i) IEX will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained.

(ii) IEX will also commence delisting or removal proceedings under any of the following circumstances:

(a) If the aggregate market value or the principal amount of the Commodity-Linked Securities publicly held is less than $400,000;

(b) The value of the Commodity Reference Asset is no longer calculated or available and a new Commodity Reference Asset is substituted, unless the new Commodity Reference Asset meets the requirements of this IEX Rule; or

(c) If such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

(3) Fixed Income Index-Linked Securities Listing Standards

(A) The issue must meet one of the criteria set forth in either (1) or (2) below.

(i) The Fixed Income Reference Asset to which the security is linked shall have been reviewed and approved for the trading of options, Index Fund Shares, or other derivatives by the Commission under Section 19(b)(2) of the Securities Exchange Act of 1934 and rules thereunder and the conditions set forth in the Commission's approval order, continue to be satisfied.

(ii) The issue must meet the following initial listing criteria:

(a) Components of the Fixed Income Reference Asset that in the aggregate account for at least 75% of the weight of the Fixed Income Reference Asset must each have a minimum original principal amount outstanding of $100 million or more;

(b) A component of the Fixed Income Reference Asset may be a convertible security, however, once the convertible security component converts to the underlying equity security, the component is removed from the Fixed Income Reference Asset;

(c) No component of the Fixed Income Reference Asset (excluding Treasury Securities and GSE Securities) will represent more than 30% of the dollar weight of the Fixed Income Reference Asset, and the five highest dollar weighted components in the Fixed Income Reference Asset will not in the aggregate account for more than 65% of the dollar weight of the Fixed Income Reference Asset;

(d) An underlying Fixed Income Reference Asset (excluding one consisting entirely of exempted securities) must include a minimum of 13 non-affiliated issuers; and

(e) Component securities that in the aggregate account for at least 90% of the dollar weight of the Fixed Income Reference Asset must be from one of the following: (a) issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; or (b) issuers that have a worldwide market value of outstanding common equity held by non-affiliates of $700 million or more; or (c) issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; or (d) exempted securities as defined in Section 3(a)(12) of the Act, or (e) issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) In addition, the value of the Fixed Income Reference Asset must be widely disseminated to the public by one or more major market vendors at least once per business day.

(C) The issue must meet the following continued listing criteria:

(i) IEX will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained.

(ii) IEX will also commence delisting or removal proceedings:

(a) if the aggregate market value or the principal amount of the Fixed Income Index-Linked Securities publicly held is less than $400,000;

(b) the value of the Fixed Income Reference Asset is no longer calculated or available and a new Fixed Income Reference Asset is substituted, unless the new Fixed Income Reference Asset meets the requirements of this IEX Rule 16.110(k); or

(c) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings inadvisable.

(4) Futures-Linked Securities Listing Standards

(A) The issue must meet the initial listing standard set forth in either (1) or (2) below:

(i) The Futures Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Futures- Linked Securities or options or other derivatives by the Commission under

Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied, or

(ii) the pricing information for components of a Futures Reference Asset must be derived from a market which is an ISG member or affiliate or with which IEX has a comprehensive surveillance sharing agreement. A Futures Reference Asset may include components representing not more than 10% of the dollar weight of such Futures Reference Asset for which the pricing information is derived from markets that do not meet the requirements of this subparagraph (2); provided, however, that no single component subject to this exception exceeds 7% of the dollar weight of the Futures Reference Asset.

(B) In addition, the issue must meet both of the following initial listing criteria:

(i) the value of the Futures Reference Asset must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the Regular Market Session (as defined in IEX Rule 11.110); and

(ii) in the case of Futures-Linked Securities that are periodically redeemable, the value of a share of each series (the "Intraday Indicative Value") of the subject Futures-Linked Securities must be calculated and widely disseminated by IEX or one or more major market data vendors on at least a 15-second basis during the Regular Market Session (as defined in IEX Rule 11.110).

(C) The issue must meet the following continued listing criteria:

(i) IEX will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained.

(ii) IEX will also commence delisting or removal proceedings under any of the following circumstances:

(a) if the aggregate market value or the principal amount of the Futures-Linked Securities publicly held is less than $400,000;

(b) if the value of the Futures Reference Asset is no longer calculated or available and a new Futures Reference Asset is substituted, unless the new Futures Reference Asset meets the requirements of this IEX Rule 16.110(k); or

(c) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

(5) Multifactor Index-Linked Securities Listing Standards

(A) The issue must meet the following initial listing standards set forth in either (1) or (2) below:

(i) each component of the Multifactor Reference Asset to which the security is linked shall have been reviewed and approved for the trading of either options, Index Fund Shares, or other derivatives under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied, or

(ii) each Reference Asset included in the Multifactor Reference Asset must meet the applicable initial and continued listing criteria set forth in the relevant subsection of this IEX Rule 16.110(k).

(B) In addition, the issue must meet both of the following initial listing criteria:

(i) the value of the Multifactor Reference Asset must be calculated and widely disseminated to the public on at least a 15-second basis during the time the Multifactor Index-Linked Security trades on IEX; and

(ii) in the case of Multifactor Index-Linked Securities that are periodically redeemable, the indicative value of the Multifactor Index- Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Multifactor Index-Linked Securities trade on IEX.

(C) IEX will commence delisting or removal proceedings:

(i) if any of the initial listing criteria described above are not continuously maintained;

(ii) if the aggregate market value or the principal amount of the Multifactor Index-Linked Securities publicly held is less than $400,000;

(iii) if the value of the Multifactor Reference Asset is no longer calculated or available and a new Multifactor Reference Asset is substituted, unless the new Multifactor Reference Asset meets the requirements of this IEX Rule 16.110(k); or

(iv) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

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.01 Registered Market Maker in Linked Securities Supplemental

(a) The registered Market Maker in Linked Securities must file with IEX, in a manner prescribed by IEX, and keep current a list identifying all accounts for trading in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, currency or futures underlying a Reference Asset component, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in Linked Securities shall trade in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, or futures currency underlying a Reference Asset component, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

(b) In addition to the existing obligations under IEX rules regarding the production of books and records (e.g., IEX Rule 4.550), the registered Market Maker in Linked Securities shall make available to IEX such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or nonregistered employee affiliated with such entity for its or their own accounts in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, currency or futures underlying a Reference Asset component, as may be requested by IEX.

Rule 16.111. Trading of Certain Derivative Securities

(a) Index-Linked Exchangeable Notes

Index-Linked Exchangeable Notes which are exchangeable debt securities that are exchangeable at the option of the holder (subject to the requirement that the holder in most circumstances exchange a specified minimum amount of notes), on call by the issuer or at maturity for a cash amount (the "Cash Value Amount") based on the reported market prices of the underlying stocks of an underlying index will be considered for listing and trading by IEX pursuant to Rule 19b-4(e) under the Act, provided:

(1) Both the issue and the issuer of such security meet the requirements of IEX Rule 16.130, Listing Requirements for Securities Not Specified Above (Other Securities), except that the minimum public distribution shall be 150,000 notes with a minimum of 400 public note-holders, except, if traded in thousand dollar denominations or redeemable at the option of the holders thereof on at least a weekly basis, then no minimum public distribution and no minimum number of holders.

(2) The issue has a minimum term of one year.

(3) The issuer will be expected to have a minimum tangible net worth in excess of $250,000,000 and income from continuing operations before income taxes of at least $1,200,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years. In the alternative, the issuer will be expected: (A) to have a minimum tangible net worth of $150,000,000 and income from continuing operations before income taxes of at least $1,200,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years; and (B) not to have issued Index-Linked Exchangeable Notes where the original issue price of all the issuer's other index-linked exchangeable note offerings (combined with other index-linked exchangeable note offerings of the issuer's affiliates) listed on a national securities exchange exceeds 25% of the issuer's net worth.

(4) The index to which an exchangeable-note is linked shall either be (A) indices that have been created by a third party and been reviewed and have been approved for the trading of options or other derivatives securities (each, a "Third-Party Index") either by the Commission under Section 19(b)(2) of the Act and rules thereunder or by IEX under rules adopted pursuant to Rule 19b-4(e); or (B) indices which the issuer has created and for which IEX will have obtained approval from either the Commission pursuant to Section 19(b)(2) and rules thereunder or from IEX under IEX Rules adopted pursuant to Rule 19b-4(e) (each an "Issuer Index"). The Issuer Indices and their underlying securities must meet one of the following:

(A) the procedures and criteria set forth in NASDAQ Options Market ("NOM") Rules, Chapter XIV, Section 6(b) and (c), or

(B) the criteria set forth in IEX Rules 16.115(b)(3) and (4), the index concentration limits set forth in NOM Rule Chapter XIV, Section 6, and NOM Rule Chapter XIV, Section 6(b)(12) insofar as it relates to NOM Rule Chapter XIV, Section 6(b)(6).

(5) Index-Linked Exchangeable Notes will be treated as equity instruments.

(6) The Intraday Indicative Value of the subject Index-Linked Exchangeable Notes must be calculated and widely disseminated by IEX or one or more major market data vendors on at least a 15- second basis during the Regular Market Session (as defined in IEX Rule 11.110). For purposes of this IEX Rule, the term "Intraday Indicative Value" means an estimate of the value of a note or a share of the series of Index-Linked Exchangeable Notes.

(7) The value of the underlying index must be publicly available to investors, on a real time basis, every 15 seconds.

(8) Beginning twelve months after the initial issuance of a series of index-linked exchangeable notes, IEX will consider the suspension of trading in or removal from listing of that series of Index-Linked Exchangeable Notes under any of the following circumstances:

(A) if the series has fewer than 50,000 notes issued and outstanding;

(B) if the market value of all Index-Linked Exchangeable Notes of that series issued and outstanding is less than $1,000,000; or

(C) if such other event shall occur or such other condition exists which in the opinion of IEX makes further dealings of IEX inadvisable.

(b) Equity Gold Shares

(1) The provisions of this sub-paragraph (b) apply only to Equity Gold Shares that represent units of fractional undivided beneficial interest in and ownership of the Equity Gold Trust. While Equity Gold Shares are not technically Index Fund Shares and thus are not covered by IEX Rule 16.105, all other rules that reference "Index Fund Shares" shall also apply to Equity Gold Shares.

(2) Except to the extent that specific provisions in this IEX Rule govern, or unless the context otherwise requires, the provisions of all other IEX Rules and policies shall be applicable to the trading of Equity Gold Shares on IEX.

(3) The provisions set forth in IEX Rule 16.111(d) shall also apply to Equity Gold Shares.

(c) Trust Certificates

IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, certificates ("Trust Certificates") representing an interest in a special purpose trust (the "Trust") created pursuant to a trust agreement. The Trust will only issue Trust Certificates. Trust Certificates may or may not provide for the repayment of the original principal investment amount.

(1) Trust Certificates pay an amount at maturity which is based upon the performance of specified assets as set forth below:

(A) an underlying index or indexes of equity securities (an "Equity Reference Asset");

(B) instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration date (i.e., European style), entitling the holder to a cash settlement in U.S. dollars to the extent that the foreign or domestic index has declined below (for a put warrant) or increased above (for a call warrant) the pre-stated cash settlement value of the index ("Index Warrants"); or

(C) a combination of two or more Equity Reference Assets or Index Warrants.

(2) IEX will file separate proposals under Section 19(b) of the Act before trading, either by listing or pursuant to unlisted trading privileges, Trust Certificates.

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.01 Continued Listing.

IEX will commence delisting or removal proceedings with respect to an issue of Trust Certificates (unless the Commission has approved the continued trading of such issue), under any of the following circumstances:

(a) if the aggregate market value or the principal amount of the securities publicly held is less than $400,000;

(b) if the value of the index or composite value of the indexes is no longer calculated or widely disseminated on at least a 15-second basis with respect to indexes containing only securities listed on a national securities exchange, or on at least a 60-second basis with respect to indexes containing foreign country securities, provided, however, that, if the official index value does not change during some or all of the period when trading is occurring on IEX (for example, for indexes of foreign country securities, because of time zone differences or holidays in the countries where such indexes' component stocks trade) then the last calculated official index value must remain available throughout IEX system hours; or

(c) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

.02 Term.

The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

.03 Trustee.

The following requirements apply:

(a) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

.04 Voting.

Voting rights shall be as set forth in the applicable Trust prospectus.

.05 Surveillance Procedures.

IEX will implement written surveillance procedures for Trust Certificates.

.06 Equity Trading Rules.

The Trust Certificates will be subject to IEX's equity trading rules.

.07 Information Circular.

Prior to the commencement of trading of a particular Trust Certificate listing pursuant to this IEX Rule, IEX will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to Members providing guidance regarding compliance responsibilities (including suitability recommendations and account approval) when handling transactions in Trust Certificates.

.08 Exchanging Trust Certificates.

Trust Certificates may be exchangeable at the option of the holder into securities that participate in the return of the applicable underlying asset. In the event that the Trust Certificates are exchangeable at the option of the holder and contain an Index Warrant, then a Member must ensure that the Member's account is approved for options trading in accordance with the rules of FINRA or a national securities exchange in order to exercise such rights.

.09 Trust Certificates Payments.

Trust Certificates may pass-through periodic payments of interest and principle of the underlying securities.

.10 Trust Insurance.

The Trust payments may be guaranteed pursuant to a financial guaranty insurance policy which may include swap agreements.

.11 Early Termination.

The Trust Certificates may be subject to early termination or call features.

(d) Commodity-Based Trust Shares

(1) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares that meet the criteria of this IEX Rule.

(2) Applicability. This IEX Rule is applicable only to Commodity-Based Trust Shares. Except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Operating Agreement, and all other rules and procedures of the Board of Directors shall be

applicable to the trading on IEX of such securities. Commodity-Based Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Operating Agreement and Rules of IEX.

(3) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meaning herein specified:

(A) Commodity-Based Trust Shares. The term "Commodity-Based Trust Shares" means a security (1) that is issued by a trust ("Trust") that holds a specified commodity deposited with the Trust; (2) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (3) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity.

(B) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(4) Designation of an Underlying Commodity. IEX may trade, either by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares based on an underlying commodity. Each issue of a Commodity-Based Trust Share shall be designated as a separate series and shall be identified by a unique symbol.

(5) Initial and Continued Listing. Commodity-Based Trust Shares will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing—IEX will establish a minimum number of Commodity-Based Trust Shares required to be outstanding at the time of commencement of trading on IEX.

(B) Continued Listing—following the initial 12 month period following commencement of trading on IEX of Commodity-Based Trust Shares, IEX will consider the suspension of trading in or removal from listing of such series under any of the following circumstances:

(i) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Commodity-Based Trust Shares for 30 or more consecutive trading days; or

(ii) if the Trust has fewer than 50,000 receipts issued and outstanding; or

(iii) if the market value of all receipts issued and outstanding is less than $1,000,000; or

(iv) if the value of the underlying commodity is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, Trust, custodian or IEX or IEX stops providing a hyperlink on its Web site to any such unaffiliated commodity value;

(v) if the Intraday Indicative Value is no longer made available on at least a 15-second delayed basis; or

(vi) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

Upon termination of a Trust, IEX requires that Commodity-Based Trust Shares issued in connection with such entity Trust be removed from IEX listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term - The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee - The following requirements apply:

(i) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting — Voting rights shall be as set forth in the applicable Trust prospectus.

(6) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying commodity value, the current value of the underlying commodity required to be deposited to the Trust in connection with issuance of Commodity-Based Trust Shares; resulting from any negligent act or omission by IEX, or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX, its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an underlying commodity.

(7) Market Maker Accounts. A registered Market Maker in Commodity- Based Trust Shares must file with IEX in a manner prescribed by IEX and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

(8) In addition to the existing obligations under IEX rules regarding the production of books and records (see, e.g., IEX Rule 4.550), the registered Market Maker in Commodity-Based Trust Shares shall make available to IEX such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by IEX.

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.01 A Commodity-Based Trust Share is a Trust Issued Receipt that holds a specified commodity deposited with the Trust.

.02 IEX requires that Members provide all purchasers of newly issued Commodity-Based Trust Shares a prospectus for the series of Commodity- Based Trust Shares.

.03 Transactions in Commodity-Based Trust Shares will occur during the system hours specified in IEX Rule 11.110.

.04 IEX will file separate proposals under Section 19(b) of the Act before trading, either by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares.

(e) Currency Trust Shares

(1) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Currency Trust Shares that meet the criteria of this IEX Rule.

(2) Applicability. This IEX Rule is applicable only to Currency Trust Shares. Except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Operating Agreement, and all other rules and procedures of the Board of Directors shall be applicable to the trading on IEX of such securities. Currency Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Operating Agreement and Rules of IEX.

(3) Currency Trust Shares. The term "Currency Trust Shares" as used in these Rules shall, unless the context otherwise requires, mean a security that (A) is issued by a trust ("Trust") that holds a specified non-U.S. currency or currencies deposited with the Trust; (B) when aggregated in some specified minimum number may be surrendered to the Trust by an Authorized Participant (as defined in the Trust's prospectus) to receive the specified non-U.S. currency or currencies; and (C) pays beneficial owners interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the Trust.

(4) Designation of Non-U.S. Currency. IEX may trade, either by listing or pursuant to unlisted trading privileges, Currency Trust Shares that hold a specified non-U.S. currency or currencies. Each issue of Currency Trust Shares shall be designated as a separate series and shall be identified by a unique symbol.

(5) Initial and Continued Listing. Currency Trust Shares will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing. IEX will establish a minimum number of Currency Trust Shares required to be outstanding at the time of commencement of trading on IEX.

(B) Continued Listing. Following the initial 12 month period following commencement of trading on IEX of Currency Trust Shares, IEX will consider the suspension of trading in or removal from listing of such series under any of the following circumstances:

(i) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Currency Trust Shares for 30 or more consecutive trading days;

(ii) if the Trust has fewer than 50,000 Currency Trust Shares issued and outstanding;

(iii) if the market value of all Currency Trust Shares issued and outstanding is less than $1,000,000;

(iv) if the value of the applicable non-U.S. currency is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, Trust, custodian or IEX or IEX stops providing a hyperlink on its Web site to any such unaffiliated applicable non-U.S. currency value;

(v) if the Intraday Indicative Value is no longer made available on at least a 15-second delayed basis; or

(vi) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

Upon termination of a Trust, IEX requires that Currency Trust Shares issued in connection with such entity Trust be removed from IEX listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee. The following requirements apply:

(i) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any

reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting. Voting rights shall be as set forth in the applicable Trust prospectus.

(6) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable non-U.S. currency value; the current value of the applicable non-U.S. currency required to be deposited to the Trust in connection with issuance of Currency Trust Shares; net asset value; or any other information relating to the purchase, redemption, or trading of the Currency Trust Shares, resulting from any negligent act or omission by IEX, or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX, its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an applicable non-U.S. currency.

(7) Market Maker Accounts. A registered Market Maker in Currency Trust Shares must file with IEX, in a manner prescribed by IEX, and keep current a list identifying all accounts for trading in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

In addition to the existing obligations under IEX rules regarding the production of books and records (see e.g., IEX Rule 4.550), a registered Market Maker in Currency Trust Shares shall make available to IEX such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, as may be requested by IEX.

(8) IEX may submit a rule filing pursuant to Section 19(b)(2) of the Act to permit the listing and trading of Currency Trust Shares that do not otherwise meet the standards set forth in Supplementary Material .04, below.

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.01 A Currency Trust Share is a Trust Issued Receipt that holds a specified non-U.S. currency or currencies deposited with the Trust.

.02 IEX requires that Members provide all purchasers of newly issued Currency Trust Shares a prospectus for the series of Currency Trust Shares.

.03 Transactions in Currency Trust Shares will occur during the system hours specified in IEX Rule 11.110.

.04 IEX may approve an issue of Currency Trust Shares for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Act. Such issue shall satisfy the criteria set forth in this IEX Rule and below, provided that, for issues approved for trading pursuant to unlisted trading privileges, only paragraphs *(b), (c) and (d) below are required to be satisfied:*

(a) *a minimum of 100,000 shares of a series of Currency Trust Shares is required to be outstanding at commencement of trading;*

(b) *the value of the applicable non-U.S. currency, currencies or currency index must be disseminated by one or more major market data vendors on at least a 15-second delayed basis;*

(c) *the Intraday Indicative Value must be calculated and widely disseminated by IEX or one or more major market data vendors on at least a 15-second basis during the Regular Market Session; and*

(d) *IEX will implement written surveillance procedures applicable to Currency Trust Shares.*

.05 Currency Trust Share Supplemental.

If the value of a Currency Trust Share is based in whole or in part on an index that is maintained by a broker-dealer, the broker-dealer shall erect a "firewall" around the personnel responsible for the maintenance of such index or who have access to information concerning changes and adjustments to the index, and the index shall be calculated by a third party who is not a broker-dealer.

Any advisory committee, supervisory board or similar entity that advises an index licensor or administrator or that makes decisions regarding the index or portfolio composition, methodology and related matters must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, nonpublic information regarding the applicable index or portfolio.

.06 Equity Trading Rules.

Currency Trust Shares will be subject to IEX's equity trading rules.

.07 Trading Halts.

If the Intraday Indicative Value, or the value of the non-U.S. currency or currencies or the currency index applicable to a series of Currency Trust Shares is not being disseminated as required, IEX may halt trading during the day on which such interruption first occurs. If such interruption persists past the trading day in which it occurred, IEX will halt trading no later than the beginning of the trading day following the interruption. If IEX becomes aware that the net asset value applicable to a series of Currency Trust Shares is not being disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants.

(f) Commodity Index Trust Shares

(1) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares that meet the criteria of this IEX Rule.

(2) Applicability. This IEX Rule is applicable only to Commodity Index Trust Shares. Except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Operating Agreement, and all other rules and procedures of the Board of Directors shall be applicable to the trading on IEX of such securities. Commodity Index Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Operating Agreement and Rules of IEX.

(3) Commodity Index Trust Shares. The term "Commodity Index Trust Shares" as used in the Rules shall, unless the context otherwise requires, mean a security that: (A) is issued by a trust ("Trust") that: (1) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (2) that holds long positions in futures contracts on a specified commodity index, or interests in a commodity pool which, in turn, holds such long positions; and (B) when aggregated in some specified minimum number may be surrendered to the Trust by the beneficial owner to receive positions in futures contracts on a specified index and cash or short term securities. The term "futures contract" is commonly known as a "contract of sale of a commodity for future delivery" set forth in Section 2(a) of the Commodity Exchange Act.

(4) Designation. IEX may trade, either by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares based on one or more securities. The Commodity Index Trust Shares based on particular securities shall be designated as a separate series and shall be identified by a unique symbol.

(5) Initial and Continued Listing. Commodity Index Trust Shares will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing. IEX will establish a minimum number of Commodity Index Trust Shares required to be outstanding at the time of commencement of trading on IEX.

(B) Continued Listing. IEX will consider the suspension of trading in or removal from listing of a series of Commodity Index Trust Shares under any of the following circumstances:

(i) following the initial twelve-month period beginning upon the commencement of trading of the Commodity Index Trust Shares, there are fewer than 50 record and/or beneficial holders of Commodity Index Trust Shares for 30 or more consecutive trading days;

(ii) if the value of the applicable underlying index is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(iii) if the net asset value for the trust is no longer disseminated to all market participants at the same time;

(iv) if the Intraday Indicative Value is no longer made available on at least a 15-second delayed basis; or

(v) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

Upon termination of a Trust, IEX requires that Commodity Index Trust Shares issued in connection with such entity Trust be removed from IEX listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee. The following requirements apply:

(i) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting. Voting rights shall be as set forth in the applicable Trust prospectus.

(6) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable underlying index value; the current value of the applicable positions or interests required to be deposited to the Trust in connection with issuance of Commodity Index Trust Shares; net asset value; or any other information relating to the purchase, redemption, or trading of the Commodity Index Trust Shares, resulting from any negligent act or omission by IEX, or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or

software malfunction; or any error, omission or delay in the reports of transactions in the applicable positions or interests.

(7) Market Maker Accounts. A registered Market Maker in Commodity Index Trust Shares must file with IEX in a manner prescribed by IEX and keep current a list identifying all accounts for trading in the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

In addition to the existing obligations under IEX rules regarding the production of books and records, (see e.g., IEX Rule 4.550), a registered Market Maker in Commodity Index Trust Shares shall make available to IEX such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, as may be requested by IEX.

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.01 A Commodity Index Trust Share is a Trust Issued Receipt that holds long positions in futures contracts on a specified commodity index, or interests in a commodity pool which, in turn, holds such long positions, deposited with the Trust.

.02 IEX requires that Members provide all purchasers of newly issued Commodity Index Trust Shares a prospectus for the series of Commodity Index Trust Shares.

.03 Transactions in Commodity Index Trust Shares will occur during the system hours specified in IEX Rule 11.110.

.04 IEX will file separate proposals under Section 19(b) of the Act before trading, either by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares.

(g) Commodity Futures Trust Shares

(1) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares that meet the criteria of this IEX Rule.

(2) Applicability. This IEX Rule is applicable only to Commodity Futures Trust Shares. Except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Operating Agreement , and all other rules and procedures of the Board of Directors shall be applicable to the trading on IEX of such securities. Commodity Futures Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Operating Agreement and Rules of IEX.

(3) Commodity Futures Trust Shares. The term "Commodity Futures Trust Shares" as used in the Rules shall, unless the context otherwise requires, mean a security that (A) is issued by a trust ("Trust") that (1) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (2) holds positions in futures contracts that track the performance of a specified commodity, or interests in a commodity pool

which, in turn, holds such positions; and (B) is issued and redeemed daily in specified aggregate amounts at net asset value. The term "futures contract" is a "contract of sale of a commodity for future delivery" set forth in Section 2(a) of the Commodity Exchange Act. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(4) Designation of an Underlying Commodity Futures Contract. IEX may trade, either by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares based on an underlying commodity futures contract. Each issue of Commodity Futures Trust Shares shall be designated as a separate series and shall be identified by a unique symbol.

(5) Initial and Continued Listing. Commodity Futures Trust Shares will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing. IEX will establish a minimum number of Commodity Futures Trust Shares required to be outstanding at the time of commencement of trading on IEX.

(B) Continued Listing. IEX will consider the suspension of trading in or removal from listing of a series of Commodity Futures Trust Shares under any of the following circumstances:

(i) if, following the initial twelve-month period beginning upon the commencement of trading of the Commodity Futures Trust Shares: (a) the Trust has fewer than 50,000 Commodity Futures Trust Shares issued and outstanding; or (b) the market value of all Commodity Futures Trust Shares issued and outstanding is less than $1,000,000; or (c) there are fewer than 50 record and/or beneficial holders of Commodity Futures Trust Shares for 30 consecutive trading days;

(ii) if the value of the underlying futures contracts is no longer calculated or available on at least a 15-second delayed basis during the Regular Market Session from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(iii) if the net asset value for the Trust is no longer disseminated to all market participants at the same time;

(iv) if the Intraday Indicative Value is no longer disseminated on at least a 15-second delayed basis during the Regular Market Session; or

(v) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

Upon termination of a Trust, IEX requires that Commodity Futures Trust Shares issued in connection with such trust be removed from IEX listing. A Trust will terminate in accordance with the provisions of the Trust prospectus.

(C) Term. The stated term of the Trust shall be as stated in the prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee. The following requirements apply:

(i) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting. Voting rights shall be as set forth in the applicable Trust prospectus.

(6) Market Maker Accounts.

(A) A registered Market Maker in Commodity Futures Trust Shares must file with IEX, in a manner prescribed by IEX, and keep current a list identifying all accounts for trading the underlying commodity, related futures or options on futures, or any other related derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Commodity Futures Trust Shares shall trade in the underlying commodity, related futures or options on futures, or any other related derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

(B) In addition to the existing obligations under IEX rules regarding the production of books and records (see, e.g., IEX Rule 4.550), the registered Market Maker in Commodity Futures Trust Shares shall make available to IEX such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or nonregistered employee affiliated with such entity for its or their own accounts in the underlying commodity, related futures or options on futures, or any other related derivatives, as may be requested by IEX.

(7) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying futures contract value; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Commodity Futures Trust Shares; net asset value; or other information relating to the purchase, redemption or trading of Commodity Futures Trust Shares, resulting from any negligent act or omission by IEX, or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reporting of transactions in an underlying futures contract.

(8) IEX will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Commodity Futures Trust Shares designated on different underlying futures contracts.

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.01 Members trading in Commodity Futures Trust Shares shall provide all purchasers of newly issued Commodity Futures Trust Shares a prospectus for the series of Commodity Futures Trust Shares.

.02 Transactions in Commodity Futures Trust Shares will occur during the system hours specified in IEX Rule 11.110.

.03 If the Intraday Indicative Value or the value of the underlying futures contract is not being disseminated as required, IEX may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value or the value of the underlying futures contract occurs. If the interruption to the dissemination of the Intraday Indicative Value or the value of the underlying futures contract persists past the trading day in which it occurred, IEX will halt trading no later than the beginning of the trading day following the interruption.

In addition, if IEX becomes aware that the net asset value with respect to a series of Commodity Futures Trust Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants.

.04 IEX's rules governing the trading of equity securities apply.

.05 IEX will implement written surveillance procedures for Commodity Futures Trust Shares.

(h) Partnership Units

(1) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Partnership Units that meet the criteria of this IEX Rule.

(2) Definitions. The following terms as used in the Rule shall, unless the context otherwise requires, have the meanings herein specified:

(A) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(B) Partnership Units. The term "Partnership Units" for purposes of this IEX Rule means a security (a) that is issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities and/or securities; and (b) that is issued and redeemed daily in specified aggregate amounts at net asset value.

(3) Designation. IEX may list and trade Partnership Units based on an underlying asset, commodity or security. Each issue of a Partnership Unit shall be designated as a separate series and shall be identified by a unique symbol.

(4) Initial and Continued Listing. Partnership Units will be listed and/or traded on IEX subject to application of the following criteria:

(A) Initial Listing. IEX will establish a minimum number of Partnership Units required to be outstanding at the time of commencement of trading on IEX.

(B) Continued Listing. IEX will consider removing from listing Partnership Units under any of the following circumstances:

(i) if following the initial twelve month period following the commencement of trading of Partnership Units, (a) the partnership has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Partnership Units for 30 or more consecutive trading days; (b) the partnership has fewer than 50,000 Partnership Units issued and outstanding; or (c) the market value of all Partnership Units issued and outstanding is less than $1,000,000;

(ii) if the value of the underlying benchmark investment, commodity or asset is no longer calculated or available on at least a 15-second delayed basis or IEX stops providing a hyperlink on its website to any such investment, commodity, or asset value;

(iii) if the Intraday Indicative Value is no longer made available on at least a 15-second delayed basis; or

(iv) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

Upon termination of a partnership, IEX requires that Partnership Units issued in connection with such partnership be removed from IEX listing. A partnership will terminate in accordance with the provisions of the partnership prospectus.

(C) Term. The stated term of the partnership shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the Partnership prospectus.

(D) General Partner. The following requirements apply:

(i) The general partner of a partnership must be an entity having substantial capital and surplus and the experience and facilities for handling partnership business. In cases where, for any reason, an individual has been appointed as general partner, a qualified entity must also be appointed as general partner.

(ii) No change is to be made in the general partner of a listed issue without prior notice to and approval of IEX.

(E) Voting. Voting rights shall be as set forth in the applicable partnership prospectus.

(5) Market Maker Accounts.

(A) A registered Market Maker in Partnership Units must file with IEX, in a manner prescribed by IEX, and keep current a list identifying all accounts for trading the underlying asset or commodity, related futures or options on futures, or any other related derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Partnership Units shall trade in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

(B) In addition to the existing obligations under IEX rules regarding the production of books and records (see, e.g., IEX Rule 4.550), a registered Market Maker in Partnership Units shall make available to IEX such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, as may be requested by IEX.

(6) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying asset or commodity value, the current value of the underlying asset or commodity if required to be deposited to the partnership in connection with issuance of Partnership Units; net asset value; or other information relating to the purchase, redemption or trading of Partnership Units, resulting from any negligent act or omission by IEX or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an underlying asset or commodity.

(7) IEX will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Partnership Units designated on different underlying investments, commodities and/or assets.

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.01 IEX requires that Members provide to all purchasers of newly issued Partnership Units a prospectus for the series of Partnership Units.

(i) Trust Units

(1) Applicability. The provisions in this IEX Rule are applicable only to Trust Units. In addition, except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on IEX of such securities. Trust Units are included within the definition of "security," "securities" and "derivative securities products" as such terms are used in the Rules of IEX.

(2) Definitions. The following terms as used in this IEX Rule shall, unless the context otherwise requires, have the meanings herein specified:

(A) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(B) Trust Units. The term "Trust Units" for purposes of this IEX Rule means a security that is issued by a trust or other similar entity that is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.

(3) Designation. IEX may list and trade Trust Units based on an underlying asset, commodity, security or portfolio. Each issue of a Trust Unit shall be designated as a separate series and shall be identified by a unique symbol.

(4) Initial and Continued Listing. Trust Units will be listed and/or traded on IEX subject to application of the following criteria:

(A) Initial Listing.

(i) IEX will establish a minimum number of Trust Units required to be outstanding at the time of commencement of trading on IEX.

(ii) IEX will obtain a representation from the issuer of each series of Trust Units that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing.

(i) IEX will remove from listing Trust Units under any of the following circumstances:

(a) if following the initial twelve month period following the commencement of trading of Trust Units, (i) the trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Units for 30 or more consecutive trading days; (ii) the trust has fewer than 50,000 Trust Units issued and outstanding; or (iii) the market value of all Trust Units issued and outstanding is less than $1,000,000; or

(b) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

(ii) IEX will halt trading in a series of Trust Units if the circuit breaker parameters in IEX Rule 11.280 have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, IEX may consider any relevant factors. In particular, if the portfolio and net asset value per share are not being disseminated as required, IEX may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or net asset value per share occurs. If the interruption to the dissemination of the portfolio holdings or net asset value per share persists past the trading day in which it occurred, IEX will halt trading no later than the beginning of the trading day following the interruption.

Upon termination of a trust, IEX requires that Trust Units issued in connection with such trust be removed from IEX listing. A trust will terminate in accordance with the provisions of the prospectus.

(C) Term. The stated term of the trust shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the prospectus.

(D) Trustee — The following requirements apply:

(i) The trustee of a trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any

reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting. Voting rights shall be as set forth in the prospectus.

(5) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying portfolio value; net asset value; or other information relating to the purchase, redemption or trading of Trust Units, resulting from any negligent act or omission by IEX or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the Trust Units.

(6) Market Maker Accounts. A registered Market Maker in Trust Units must file with IEX, in a manner prescribed by IEX, and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

In addition to the existing obligations under IEX rules regarding the production of books and records (see e.g., IEX Rule 4.550), a registered Market Maker in Trust Units shall make available to IEX such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by IEX .

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.01 IEX requires that Members provide to all purchasers of newly issued Trust Units a prospectus for the series of Trust Units.

.02 Transactions in Trust Units will occur during the system hours specified in IEX Rule 11.110.

.03 IEX will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios.

(j) Managed Trust Securities

(1) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Managed Trust Securities that meet the criteria of this IEX Rule.

(2) Applicability. This IEX Rule is applicable only to Managed Trust Securities. Managed Trust Securities are included within the definition of "security" or "securities" as such terms are used in the Operating Agreement and Rules of IEX.

(3) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(A) Managed Trust Securities. The term "Managed Trust Securities" as used in the Rules shall, unless the context otherwise requires, mean a security that is registered under the Securities Act of 1933, as amended, (1) is issued by a trust ("Trust") that (a) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (b) holds long and/or short positions in exchange-traded futures contracts and/or certain currency forward contracts selected by the Trust's advisor consistent with the Trust's investment objectives, which will only include exchange-traded futures contracts involving commodities, currencies, stock indices, fixed income indices, interest rates and sovereign, private and mortgage or asset backed debt instruments, and/or forward contracts on specified currencies, each as disclosed in the Trust's prospectus as such may be amended from time to time; and (2) is issued and redeemed continuously in specified aggregate amounts at the next applicable net asset value.

(B) Disclosed Portfolio. The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Trust that will form the basis for the Trust's calculation of net asset value at the end of the business day.

(C) Intraday Indicative Value. The term "Intraday Indicative Value" is the estimated indicative value of a Managed Trust Security based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.

(D) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Trust Securities means IEX, an institution, or a reporting or information service designated by IEX or by the Trust or the exchange that lists a particular series of Managed Trust Securities (if IEX is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Intraday Indicative Value, the Disclosed Portfolio, the amount of any cash distribution to holders of Managed Trust Securities, net asset value, or other information relating to the issuance, redemption or trading of Managed Trust Securities. A series of Managed Trust Securities may have more than one Reporting Authority, each having different functions.

(4) Designation. IEX may trade, either by listing or pursuant to unlisted trading privileges, Managed Trust Securities based on the underlying portfolio of exchange-traded futures and/or certain currency forward contracts described in the related prospectus. Each issue of Managed Trust Securities shall be designated as a separate trust or series and shall be identified by a unique symbol.

(5) Initial and Continued Listing. Managed Trust Securities will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing. Each series of Managed Trust Securities will be listed and traded on IEX subject to application of the following initial listing criteria:

(i) IEX will establish a minimum number of Managed Trust Securities required to be outstanding at the time of commencement of trading on IEX.

(ii) IEX will obtain a representation from the issuer of each series of Managed Trust Securities that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(B) Continued Listing. Each series of Managed Trust Securities will be listed and traded on IEX subject to application of the following continued listing criteria:

(i) Intraday Indicative Value. The Intraday Indicative Value for Managed Trust Securities will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Managed Trust Securities trade on IEX.

(ii) Disclosed Portfolio.

(a) The Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time.

(b) The Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.

(iii) Suspension of trading or removal. IEX will consider the suspension of trading in or removal from listing of a series of Managed Trust Securities under any of the following circumstances:

(a) if, following the initial twelve-month period beginning upon the commencement of trading of the Managed Trust Securities: (A) the Trust has fewer than 50,000 Managed Trust Securities issued and outstanding; (B) the market value of all Managed Trust Securities issued and outstanding is less than $1,000,000; or (C) there are fewer than 50 record and/or beneficial holders of Managed Trust Securities for 30 consecutive trading days;

(b) if the Intraday Indicative Value for the Trust is no longer calculated or available or the Disclosed Portfolio is not made available to all market participants at the same time;

(c) if the Trust issuing the Managed Trust Securities has failed to file any filings required by the Securities and Exchange Commission or if IEX is aware that the Trust is not in compliance with the conditions of any exemptive order or no-action relief granted by the Securities and Exchange Commission to the Trust with respect to the series of Managed Trust Securities; or

(d) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

(iv) Trading Halts. If the Intraday Indicative Value of a series of Managed Trust Securities is not being disseminated as required, IEX may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, IEX will halt trading no later than the beginning of the trading day following the interruption. If a series of Managed Trust Securities is trading on IEX pursuant to unlisted trading privileges, IEX will halt trading in that series as specified in IEX Rule 11.280, IEX Rule 16.170 or Supplementary Material .01(c) to IEX Rule 14.207, as applicable. In addition, if IEX becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Trust Securities is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(v) Upon termination of a Trust, IEX requires that Managed Trust Securities issued in connection with such Trust be removed from IEX listing. A Trust will terminate in accordance with the provisions of the Trust prospectus.

(C) Term. The stated term of the Trust shall be as stated in the prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee. The following requirements apply:

(i) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting. Voting rights shall be as set forth in the applicable Trust prospectus.

(6) Market Maker Accounts.

(A) A registered Market Maker in Managed Trust Securities must file with IEX, in a manner prescribed by IEX, and keep current a list identifying all accounts for trading the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, which a registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Managed Trust Securities shall trade in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

(B) In addition to the existing obligations under IEX rules regarding the production of books and records, (see, e.g., IEX Rule 4.550) a registered Market Maker in Managed Trust Securities shall make available to IEX such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, as may be requested by IEX.

(7) Limitation of IEX Liability. Neither IEX, the Reporting Authority nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying futures contract value; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Managed Trust Securities; net asset value; or other information relating to the purchase, redemption or trading of Managed Trust Securities, resulting from any negligent act or omission by IEX, or the Reporting Authority, or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX or its agent, or the Reporting Authority, including, but not limited to, fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reporting of transactions in an underlying futures contract.

(8) IEX will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Managed Trust Securities.

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.01 IEX requires that Members provide all purchasers of newly issued Managed Trust Securities a prospectus for the series of Managed Trust Securities.

.02 Transactions in Managed Trust Securities will occur during the system hours specified in IEX Rule 11.110.

.03 IEX's rules governing the trading of equity securities apply.

.04 IEX will implement written surveillance procedures for Managed Trust Securities.

.05 If the Trust's advisor is affiliated with a broker-dealer, the broker- dealer shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Trust portfolio.

Rule 16.112. Reserved.

Rule 16.113. Paired Class Shares

(a) IEX will consider for trading, whether by listing or pursuant to unlisted trading privileges, Paired Class Shares that meet the criteria of this IEX Rule.

(b) Applicability. This IEX Rule is applicable only to Paired Class Shares. Except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the Operating Agreement and all other rules and procedures of the Board of Directors shall be applicable to the trading on IEX of such securities. Paired Class Shares are included within the definition of "security" or "securities" as such terms are used in the Operating Agreement and Rules of IEX.

(c) Paired Class Shares. The term "Paired Class Share" means a security: (1) that is issued by a trust (the "Trust") on behalf of a segregated series (the "Fund") as part of a pair of shares of opposing classes whose respective underlying values move in opposite directions as the value of the Fund's Underlying Benchmark (defined in IEX Rule 16.113(e)) varies from its starting level, where one constituent of the pair is positively linked to the Fund's Underlying Benchmark ("Up Shares") and the other constituent is inversely linked to the Fund's Underlying Benchmark ("Down Shares"); (2) that is issued in exchange for cash; (3) the issuance proceeds of which are invested and reinvested in highly rated short-term financial instruments that mature within 90 calendar days and that serve the functions of (i) covering the Fund's expenses, (ii) providing income distributions to investors, based on income (after expenses) from the financial instruments held by the Fund, (iii) providing cash proceeds for regular and special distributions to be made in cash in lieu of Paired Class Shares, and (iv) providing cash proceeds to be paid upon the redemption of Paired Class Shares; (4) that represents a beneficial interest in the Fund; (5) the value of which is determined by the underlying value of the Fund that is attributable to the class of which such security is a part, which security underlying value will either (i) increase as a result of an increase in the Underlying Benchmark and decrease as a result of a decrease in the Underlying Benchmark (in the case of an Up Share) or (ii) increase as a result of a decrease in the Underlying Benchmark and decrease as the result of an increase in the Underlying Benchmark (in the case of a Down Share); (6) that, when timely aggregated in a specified minimum number or amount of securities, along with an equal number or amount of the securities of the opposite class that constitute the other part of the pair, may be redeemed for a distribution of cash on specified dates by authorized parties; and (7) that may be subject to mandatory redemption of all Paired Class Shares under specified circumstances.

(d) Distributions. A Fund may engage in scheduled regular distributions, special distributions that are automatically triggered upon the Underlying Benchmark exceeding a fixed rate of change since the prior distribution, and corrective distributions that are automatically triggered when the trading price of a Paired Class Share deviates by a specified amount from its underlying value for a specified period of time.

(e) Designation. IEX may trade, either by listing or pursuant to unlisted trading privileges, Paired Class Shares whose values are based on an index or other numerical variable ("Underlying Benchmark") whose value reflects the value of assets, prices, price volatility or other economic interests ("Reference Asset"). Each issue of Up Shares or Down Shares of a Fund shall be designated as a separate series and shall be identified by a unique symbol.

(f) Initial and Continued Listing. Paired Class Shares will be listed and traded on IEX subject to application of the following criteria:

(1) Initial Listing

(A) IEX will establish a minimum number of Paired Class Shares for each Fund required to be outstanding at the time of commencement of trading on IEX;

(B) IEX will obtain a representation from the Trust on behalf of each Fund that the underlying value per share of each Up Share and Down Share will be calculated daily and that these underlying values and information about the assets of the Fund will be made available to all market participants at the same time; and

(C) if the Underlying Benchmark is maintained by a broker-dealer or investment advisor, the broker-dealer or investment advisor shall erect a "firewall" around the personnel who have access to information concerning changes and adjustments to the Underlying Benchmark.

(2) Continued Listing—IEX will consider the suspension of trading in or removal from listing of a Fund's Paired Class Shares under any of the following circumstances:

(A) if, following the initial twelve-month period beginning upon the commencement of trading of the Paired Class Shares: (i) there are fewer than 50 record and/or beneficial holders of the Fund's Up Shares or Down Shares for 30 or more consecutive trading days; (ii) the Fund has fewer than 50,000 Up Shares or 50,000 Down Shares issued and outstanding; or (iii) the combined market value of all shares of a Fund issued and outstanding is less than $1,000,000;

(B) if the intraday level of the Underlying Benchmark, or a substitute or replacement Underlying Benchmark based on the same Reference Asset, is no longer calculated or available on at least a 15-second delayed basis during the Regular Market Session from a source unaffiliated with the sponsor, the custodian, the trustee of the Trust, the Fund or IEX that is a major market data vendor (e.g., Reuters or Bloomberg);

(C) if the underlying value per share of each Up Share and Down Share of a Fund is no longer made available on a daily basis to all market participants at the same time;

(D) if the estimate of the value of a share of the series of Paired Class Shares (the "Intraday Indicative Value") of the underlying value of each listed Up Share and Down Share of the Fund is no longer made available on at least a 15-second delayed basis by a major market vendor during the Regular Market Session;

(E) if the "firewall" erected around the personnel who have access to information concerning changes and adjustments to the Underlying Benchmark is no longer in place; or,

(F) if such other event shall occur or condition exists which in the opinion of IEX makes further dealings on IEX inadvisable.

(3) Term. The stated term of a Fund shall be as stated in the Fund prospectus. However, a Fund may be terminated under such earlier circumstances as may be specified in the Fund prospectus.

(4) Trustee. The following requirements apply:

(A) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee; and

(B) No change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(5) Voting. Voting rights, if any, shall be as set forth in the applicable Fund prospectus.

(g) Limitation of IEX Liability. Neither IEX nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable Underlying Benchmark value; the underlying value of the Fund and its Paired Class Shares; distribution values or any other information relating to the purchase, redemption, or trading of the Paired Class Shares, resulting from any negligent act or omission by IEX, or any agent of IEX, or any act, condition or cause beyond the reasonable control of IEX or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the applicable positions or interests.

(h) Market Maker Accounts.

(1) A registered Market Maker in Paired Class Shares must file with IEX in a manner prescribed by IEX and keep current a list identifying all accounts for trading in the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to IEX as required by this IEX Rule.

(2) In addition to the existing obligations under IEX rules regarding the production of books and records, (see e.g., IEX Rule 4.550), a registered Market Maker in Paired Class Shares shall make available to IEX such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, as may be requested by IEX.

• • • Supplementary Material • • •

.01 IEX requires that Members provide all purchasers of newly issued Paired Class Shares a prospectus for the Fund.

.02 Transactions in Paired Class Shares will occur during the system hours specified in IEX Rule 11.110.

.03 IEX will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 ("Act") before trading Paired Class Shares.

.04 Prior to a substitute or replacement Underlying Benchmark being selected for the Fund, IEX must file a related proposed rule change pursuant to Rule 19b-4 under the Act to continue trading the Paired Class Shares.

.05 IEX will implement written surveillance procedures for trading the Paired Class Shares.

Rule 16.115. Selected Equity-linked Debt Securities ("SEEDS")

(a) Definition

(1) SEEDS are limited-term, non-convertible debt securities of a Company where the value of the debt is based, at least in part, on the value of up to thirty (30) other issuers' common stock or non-convertible preferred stock (or sponsored American Depositary Receipts (ADRs) overlying such equity securities).

(b) Listing Requirements

IEX will consider listing Selected Equity-linked Debt Securities (SEEDS), pursuant to 19b-4(e) of the Act, that meet the criteria of this paragraph (b).

(1) Issuer Listing Standards

(A) The issuer of a SEEDS must be an entity that:

(i) is listed on the NASDAQ Global Market, NASDAQ Global Select or the New York Stock Exchange (NYSE) or is an affiliate of a Company listed on the NASDAQ Global Market, NASDAQ Global Select or the NYSE; provided, however, that the provisions of IEX Rule 16.130(b) will be applied to sovereign issuers of SEEDS on a case-by-case basis; and

(ii) has a minimum net worth of $150 million.

(B) In addition, the market value of a SEEDS offering, when combined with the market value of all other SEEDS offerings previously completed by the Company and traded on the NASDAQ Global, NASDAQ Global Select Market or another national securities exchange, may not be greater than 25 percent of the Company's net worth at the time of issuance.

(2) Equity-Linked Debt Security Listing Standards

The issue must have:

(A) a minimum public distribution of one million SEEDS;

(B) a minimum of 400 holders of the SEEDS, provided, however, that if the SEEDS is traded in $1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, there is no minimum number of holders and no minimum public distribution;

(C) a minimum market value of $4 million; and

(D) a minimum term of one (1) year.

(3) Minimum Standards Applicable to the Linked Security

(A) An equity security on which the value of the SEEDS is based must:

(i) have a market value of listed securities of at least $3 billion and a trading volume in the United States of at least 2.5 million shares in the one-year period preceding the listing of the SEEDS;

(ii) have a market value of listed securities of at least $1.5 billion and a trading volume in the United States of at least 10 million shares in the one-year period preceding the listing of the SEEDS; or

(iii) have a market value of listed securities of at least $500 million and a trading volume in the United States of at least 15 million shares in the one-year period preceding the listing of the SEEDS.

(B) be issued by a Company that has a continuous reporting obligation under the Act, and the security must be listed on IEX, the NASDAQ Global Market, NASDAQ Global Select or another national securities exchange and be subject to last sale reporting; and

(C) be issued by:

(i) a U.S. company; or

(ii) a non-U.S. company (including a Company that is traded in the United States through sponsored ADRs) (for purposes of this paragraph (g), a non-U.S. company is any company formed or incorporated outside of the United States) if:

(a) IEX or its subsidiaries has a comprehensive surveillance sharing agreement in place with the primary exchange in the country where the security is primarily traded (in the case of an ADR, the primary exchange on which the security underlying the ADR is traded);

(b) the combined trading volume of the non-U.S. security (a security issued by a non-U.S. company) and other related non-U.S. securities occurring in the U.S. market and in markets with which IEX or its subsidiaries has in place a comprehensive surveillance sharing agreement represents (on a share equivalent basis for any ADRs) at least 50% of the combined world-wide trading volume in the non-U.S. security, other related non-U.S. securities, and other classes of common stock related to the non-U.S. security over the six month period preceding the date of listing; or

(c) (1) the combined trading volume of the non-U.S. security and other related non-U.S. securities occurring in the U.S. market represents (on a share equivalent basis) at least 20% of the combined world-wide trading volume in the non-U.S. security and in other related non-U.S. securities over the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing; (2) the average daily trading volume for the non-U.S. security in the U.S. markets over the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing is 100,000 or more shares; and (3) the trading volume for the non-U.S. security in the U.S. market is at least 60,000 shares per day for a majority of the trading days for the six- month period preceding the date of selection of the non-U.S. security for a SEEDS listing.

(d) If the underlying security to which the SEEDS is to be linked is the stock of a non-U.S. company which is traded in the U.S. market as a sponsored ADR, ordinary shares or otherwise, then the minimum number of holders of the underlying linked security shall be 2,000.

(4) Limits on the Number of SEEDS Linked to a Particular Security

(A) The issuance of SEEDS relating to any underlying U.S. security may not exceed five percent of the total outstanding shares of such underlying security. The issuance of SEEDS relating to any underlying non-U.S. security or sponsored ADR may not exceed:

(i) two (2) percent of the total shares outstanding worldwide if at least 30 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing (The two percent limit, based on 20 percent of the worldwide trading volume in the non-U.S. security or sponsored ADR, applies only if there is a comprehensive surveillance sharing agreement in place with the primary exchange in the country where the security is primarily traded, or, in the case of an ADR, the primary exchange on which the security underlying the ADR is traded. If there is no such agreement, subparagraph (3) above requires that the combined trading volume of such security and other related securities occurring in the U.S. market represents (on a share equivalent basis for any ADRs) at least 50% of the combined worldwide trading volume in such security, other related securities, and other classes of common stock related to such security over the six month period preceding the date of listing.);

(ii) three (3) percent of the total shares outstanding worldwide if at least 50 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing; or

(iii) five (5) percent of the total shares outstanding worldwide if at least 70 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing.

(B) If a Company proposes to issue SEEDS that relate to more than the allowable percentages of the underlying security specified above, then IEX, with the concurrence of the staff of the Division of Trading and Markets of the Commission, will evaluate the maximum percentage of SEEDS that may be issued on a case-by-case basis.

(5) Prior to the commencement of trading of a particular SEEDS listed pursuant to this subsection, IEX or its subsidiaries will distribute a circular to the membership providing guidance regarding IEX member firm compliance responsibilities (including suitability recommendations and account approval) when handling transactions in SEEDS.

Rule 16.120. Trust Issued Receipts

(a) Definitions

(1) The term "Trust Issued Receipt" means a security (a) that is issued by a trust ("Trust") which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be surrendered to the trust by the beneficial owner to receive the securities; and (c) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to the trustee by an issuer of the deposited securities.

(b) Listing Requirements

(1) IEX requires that Members provide to all purchasers of newly issued Trust Issued Receipts a prospectus for the series of Trust Issued Receipts.

(2) The eligibility requirements for component securities that are represented by a series of Trust Issued Receipts and that became part of the Trust Issued Receipt when the security was either:

(A) distributed by a Company already included as a component security in the series of Trust Issued Receipts; or

(B) received in exchange for the securities of a Company previously included as a component security that is no longer outstanding due to a merger, consolidation, corporate combination or other event, shall be as follows:

(i) the component security must be listed on IEX or another national securities exchange;

(ii) the component security must be registered under Section 12 of the Act; and

(iii) the component security must have a Standard & Poor's Sector Classification that is the same as the Standard & Poor's Sector Classification represented by the component securities included in the Trust Issued Receipt at the time of the distribution or exchange.

(3) Transactions in Trust Issued Receipts may be effected until 4:00 p.m. ET each business day.

(4) IEX may list and trade Trust Issued Receipts based on one or more securities. The Trust Issued Receipts based on particular securities shall be designated as a separate series and shall be identified by a unique symbol. The securities that are included in a series of Trust Issued Receipts shall be selected by IEX or its agent, a wholly-owned subsidiary of IEX, or by such other person as shall have a proprietary interest in such Trust Issued Receipts.

(5) Trust Issued Receipts will be listed and traded on IEX subject to application of the following criteria:

(A) Initial Listing — for each Trust, IEX will establish a minimum number of Trust Issued Receipts required to be outstanding at the time of the commencement of trading on IEX.

(B) Continued Listing. Following the initial twelve month period following formation of a Trust and commencement of trading on IEX,

IEX will consider the suspension of trading in or removal from listing of a Trust upon which a series of Trust Issued Receipts is based under any of the following circumstances:

(i) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 or more consecutive trading days;

(ii) if the Trust has fewer than 50,000 receipts issued and outstanding;

(iii) if the market value of all receipts issued and outstanding is less than $1 million; or

(iv) if such other event shall occur or condition exists which, in the opinion of IEX, makes further dealings on IEX inadvisable.

Upon termination of a Trust, IEX requires that Trust Issued Receipts issued in connection with such Trust be removed from listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(C) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee. The following requirements apply:

(i) the trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) no change is to be made in the trustee of a listed issue without prior notice to and approval of IEX.

(E) Voting — voting rights shall be as set forth in the Trust prospectus.

(6) Unit of Trading. Transactions in Trust Issued Receipts may only be made in round lots of 100 receipts or round lot multiples.

(7) IEX may approve a series of Trust Issued Receipts for listing and trading on IEX pursuant to Rule 19b-4(e) under the Act, provided each of the component securities satisfies the following criteria:

(A) each component security must be registered under Section 12 of the Act;

(B) each component security must have a minimum public float of at least $150 million;

(C) each component security must be listed on IEX or another national securities exchange;

(D) each component security must have an average daily trading volume of at least 100,000 shares during the preceding sixty-day trading period;

(E) each component security must have an average daily dollar value of shares traded during the preceding sixty-day trading period of at least $1 million; and

(F) the most heavily weighted component security may not initially represent more than 20% of the overall value of the Trust Issued Receipt.

Rule 16.125. Index Warrants

(a) Definitions

(1) "Index Warrants" means instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration (i.e., European style), entitling the holder to a cash settlement in U.S. dollars to the extent that the index has declined below (for a put warrant) or increased above (for a call warrant) the pre-stated cash settlement value of the index. Index Warrants may be based on either foreign or domestic indexes.

(b) Listing Requirements

(1) An Index Warrant may be listed if it substantially meets the following criteria:

(A) The minimum public distribution shall be at least 1 million warrants.

(B) The minimum number of Public Holders shall be at least 400.

(C) The Market Value of the outstanding Index Warrants shall be at least $4 million.

(D) The issuer of the Index Warrants must have a minimum tangible net worth in excess of $150 million.

(E) The term of the Index Warrant shall be for a period from one to five years.

(F) Limitations on Issuance. Where a Company has a minimum tangible net worth in excess of $150 million but less than $250 million, IEX will not list stock Index Warrants of the Company if the value of such warrants plus the aggregate value, based upon the original issuing price, of all outstanding stock index, currency index and currency warrants of the Company and its affiliates combined that are listed for trading on IEX or another national securities exchange exceeds 25% of the Company's net worth.

(G) A.M. Settlement. The terms of stock Index Warrants for which 25% or more of the value of the underlying index is represented by securities that are traded primarily in the United States must provide that the opening prices of the stocks comprising the index will be used to determine (i) the final settlement value (i.e., the settlement value for warrants that are exercised at expiration) and (ii) the settlement value for

such warrants that are valued on either of the two business days preceding the day on which the final settlement value is to be determined.

(H) Automatic Exercise. All stock Index Warrants and any other cash- settled warrants must include in their terms provisions specifying (i) the time by which all exercise notices must be submitted and (ii) that all unexercised warrants that are in the money (or that are in the money by a stated amount) will be automatically exercised on their expiration date or on or promptly following the date on which such warrants are delisted by IEX (if such warrant issue has not been listed on another national securities exchange).

(I) Foreign Country Securities. In instances where the stock index underlying a warrant is comprised in whole or in part with securities traded outside the United States, the foreign country securities or American Depositary Receipts ("ADRs") thereon that (i) are not subject to a comprehensive surveillance agreement, and (ii) have less than 50% of their global trading volume in dollar value within the United States, shall not, in the aggregate represent more than 20% of the weight of the index, unless such index is otherwise approved for warrant or option trading.

(J) Changes in Number of Warrants Outstanding. Issuers of stock Index Warrants either will make arrangements with warrant transfer agents to advise IEX immediately of any change in the number of warrants outstanding due to the early exercise of such warrants or will provide this information themselves. With respect to stock Index Warrants for which 25% or more of the value of the underlying index is represented by securities traded primarily in the United States, such notice shall be filed with IEX no later than 4:30 p.m. Eastern Time, on the date when the settlement value for such warrants is determined. Such notice shall be filed in such form and manner as may be prescribed by IEX from time to time.

(K) Only eligible broad-based indexes can underlie Index Warrants. For purposes of this subparagraph, eligible broad-based indexes shall include those indexes approved by the Commission to underlie Index Warrants or index options traded on a national securities exchange.

Any Index Warrant listed pursuant to this paragraph shall not be required to meet the requirements of IEX Rule 14.203(h), 14.203(a), or 14.320. IEX may apply additional or more stringent criteria as necessary to protect investors and the public interest.

Rule 16.127. Trading in Commodity-Related Securities

(a) IEX will consider for trading pursuant to unlisted trading privileges, a Commodity-Related Security that meets the criteria of this IEX Rule. Unless otherwise noted, a Commodity-Related Security approved for trading under this IEX Rule is eligible for trading during all IEX market sessions if members comply with IEX Rule 3.290 when accepting Commodity-Related Security orders for execution in the Pre-Market Session or Post-Market Session.

(b) Applicability. This IEX Rule is applicable only to Commodit y-Related Securities. Except to the extent inconsistent with this IEX Rule, or unless the context otherwise requires, the provisions of all other IEX Rules shall be applicable to the trading on IEX of such securities. Commodity-Related Securities are included within the definition of "security" or "securities" as such terms are used in the IEX Rules.

(c) Definitions. The following terms shall, unless the context otherwise requires, have the meaning herein specified:

(1) Commodity-Related Security. The term "Commodity-Related Security" means a security that is issued by a trust, partnership, commodity pool or similar entity that invests, directly or through another entity, in any combination of commodities, futures contracts, options on futures contracts, forward contracts, commodity

swaps, or other related derivatives, or the value of which is determined by the value of commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives.

(2) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(d) Information Barriers. A member acting as a registered market maker in a Commodity-Related Security is obligated to establish adequate information barriers when such market maker engages in inter-departmental communications. Members should refer to NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures (NASD Notice to Members 91-45) for guidance on the "`minimum elements' of adequate Chinese Wall policy and procedures." For purposes of a Commodity-Related Security only, "inter-departmental communications" shall include communications to other departments within the same firm or the firm's affiliates that involve trading in commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security

(e) Market Maker Accounts. A member acting as a registered market maker in a Commodity-Related Security must file with IEX Regulation in a manner prescribed by IEX Regulation and keep current a list identifying all accounts for trading in commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity- Related Security, in which the market maker holds an interest, over which it may exercise investment discretion, or in which it shares in the profits and losses. No market maker shall trade in, or exercise investment discretion with respect to, such underlying commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives, in an account in which a market maker, directly or indirectly, controls trading activities, or has an interest in the profits or losses thereof, that has not been reported as required by this IEX Rule.

(f) The member acting as a registered market maker in a Commodity-Related Security shall make available to IEX Regulation such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity-Related Security, as may be requested by IEX Regulation.

(g) In connection with trading a Commodity-Related Security or commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying a Commodity-Related Security, the member acting as a market maker in a Commodity-Related Security shall not use any material nonpublic information received from any person associated with the member or employee of such person regarding trading by such person or employee in the commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives underlying such Commodity- Related Security.

(h) IEX requires that members provide all purchasers of a newly issued Commodity-Related Security a prospectus for such Commodity-Related Security.

Rule 16.130. Listing Requirements for Securities Not Otherwise Specified (Other Securities)

(a) Initial Listing Requirements

(1) IEX will consider listing any security not otherwise covered by the criteria in the Chapter 14 or 16 Series, provided the instrument is otherwise suited to trade through the facilities of IEX. Such securities will be evaluated for listing against the following criteria:

(A) The Company shall have assets in excess of $100 million and stockholders' equity of at least $10 million. In the case of a Company which is unable to satisfy the income criteria set forth in IEX Rule 14.310(c)(1), IEX generally will require the Company to have the following:

(i) assets in excess of $200 million and stockholders' equity of at least $10 million; or

(ii) assets in excess of $100 million and stockholders' equity of at least $20 million.

(B) For equity securities, there must be:

(i) a minimum of 400 holders of the security; and

(ii) a minimum public distribution of 1,000,000 trading units.

However, if the instrument is redeemable at the option of the holders thereof on at least a weekly basis, these requirements shall not apply.

(C) The aggregate market value/principal amount of the security shall be at least $4 million.

(2) Issuers of securities listed pursuant to this IEX Rule 16.130 must be listed on the NASDAQ Global Market, NASDAQ Global Select Market or the New York Stock Exchange (NYSE) or be an affiliate of a Company listed on the NASDAQ Global Market, NASDAQ Global Select Market or the NYSE; provided, however, that the provisions of IEX Rule 14.320 will be applied to sovereign issuers of "other" securities on a case-by-case basis.

(3) Prior to the commencement of trading of securities listed pursuant to this paragraph, IEX will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to the membership providing guidance regarding IEX member firm compliance responsibilities and requirements when handling transactions in such securities.

(b) Continued Listing Requirements

Except as otherwise provided in these rules, the aggregate market value or principal amount of publicly-held units must be at least $1 million.

Rule 16.135. Managed Fund Shares

(a) IEX will consider listing Managed Fund Shares that meet the criteria of IEX Rule 16.135.

(b) Applicability. IEX Rule 16.135 is applicable only to Managed Fund Shares. Except to the extent inconsistent with IEX Rule 16.135, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on IEX of such securities. Managed Fund Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of IEX.

(1) IEX will file separate proposals under Section 19(b) of the Act before the listing of Managed Fund Shares.

(2) Transactions in Managed Fund Shares will occur throughout IEX's system hours.

(3) Minimum Price Variant. The minimum price variant for quoting and entry of orders in Managed Fund Shares is $0.01.

(4) Surveillance Procedures. IEX will implement written surveillance procedures for Managed Fund Shares.

(5) Creation and Redemption. For Managed Fund Shares based on an international or global portfolio, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Managed Fund Shares must state that such series must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(c) Definitions. The following terms as used in the Rules sha ll, unless the context otherwise requires, have the meanings herein specified:

(1) Managed Fund Share. The term "Managed Fund Share" means a security that (a) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value.

(2) Disclosed Portfolio. The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company's calculation of net asset value at the end of the business day.

(3) Intraday Indicative Value. The term "Intraday Indicative Value" is the estimated indicative value of a Managed Fund Share based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.

(4) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Fund Shares means IEX, an institution, or a reporting service designated by IEX or by the exchange that lists a particular series of Managed Fund Shares (if IEX is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Intraday Indicative Value; the Disclosed Portfolio; the amount of any cash distribution to holders of Managed Fund Shares, net asset value, or other information relating to the issuance, redemption or trading of Managed Fund Shares. A series of Managed Fund Shares may have more than one Reporting Authority, each having different functions.

(d) Initial and Continued Listing. Managed Fund Shares will be listed and traded on IEX subject to application of the following criteria:

(1) Initial Listing. Each series of Managed Fund Shares will be listed and traded on IEX subject to application of the following initial listing criteria:

(A) For each series, IEX will establish a minimum number of Managed Fund Shares required to be outstanding at the time of commencement of trading on IEX.

(B) IEX will obtain a representation from the issuer of each series of Managed Fund Shares that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(2) Continued Listing. Each series of Managed Fund Shares will be listed and traded on IEX subject to application of the following continued listing criteria:

(A) Intraday Indicative Value. The Intraday Indicative Value for Managed Fund Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Managed Fund Shares trade on IEX.

(B) Disclosed Portfolio.

(i) The Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time.

(ii) The Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.

(C) Suspension of trading or removal. IEX will consider the suspension of trading in or removal from listing of a series of Managed Fund Shares under any of the following circumstances:

(i) if, following the initial twelve-month period after commencement of trading on IEX of a series of Managed Fund Shares, there are fewer than 50 beneficial holders of the series of Managed Fund Shares for 30 or more consecutive trading days;

(ii) if the value of the Intraday Indicative Value is no longer calculated or available or the Disclosed Portfolio is not made available to all market participants at the same time;

(iii) if the Investment Company issuing the Managed Fund Shares has failed to file any filings required by the Commission or if IEX is aware that the Investment Company is not in compliance with the conditions of any exemptive order or no-action relief granted by the Commission to the Investment Company with respect to the series of Managed Fund Shares; or

(iv) if such other event shall occur or condition exists which, in the opinion of IEX, makes further dealings on IEX inadvisable.

(D) Trading Halt. If the Intraday Indicative Value of a series of Managed Fund Shares is not being disseminated as required, IEX may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, IEX will halt trading no later than the beginning of the trading day following the interruption. In addition, if IEX becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Fund Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(E) Termination. Upon termination of an Investment Company, IEX requires that Managed Fund Shares issued in connection with such entity be removed from listing on IEX.

(F) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus.

(e) Limitation of Liability. Neither IEX, the Reporting Authority, nor any agent of IEX shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current portfolio value; the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of Managed Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Managed Fund Shares; net asset value; or other information relating to the purchase, redemption, or trading of Managed Fund Shares, resulting from any negligent act or omission by IEX, the Reporting Authority or any agent of IEX, or any act, condition, or cause beyond the reasonable control of IEX, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

(f) Disclosures. The provisions of this subparagraph apply only to series of Managed Fund Shares that are the subject of an order by the Securities and Exchange Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. IEX will inform its members regarding application

of these provisions of this subparagraph to a particular series of Managed Fund Shares by means of an information circular prior to commencement of trading in such series.

IEX requires that members provide to all purchasers of a series of Managed Fund Shares a written description of the terms and characteristics of those securities, in a form prepared by the open-end management investment company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, members shall include such a written description with any sales material relating to a series of Managed Fund Shares that is provided to customers or the public. Any other written materials provided by a member to customers or the public making specific reference to a series of Managed Fund Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of (the series of Managed Fund Shares) has been prepared by the (open-end management investment company name) and is available from your broker. It is recommended that you obtain and review such circular before purchasing (the series of Managed Fund Shares)."

A member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase a series of Managed Fund Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to members under this IEX Rule. Upon request of a customer, a member shall also provide a prospectus for the particular series of Managed Fund Shares.

(g) If the investment adviser to the Investment Company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a "fire wall" between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such Investment Company portfolio. Personnel who make decisions on the Investment Company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio.

Rule 16.160. Derivative Securities Traded under Unlisted Trading Privileges

IEX may extend unlisted trading privileges to any security that is an NMS Stock (as defined in Rule 600 of Regulation NMS under the Act) that is listed on another national securities exchange. Any such security will be subject to all IEX trading rules applicable to NMS Stocks, unless otherwise noted, including provisions of IEX Rule 11.280, Chapter 14, and Chapter 16.

(a) Any security that is a "new derivative securities product" as defined in Rule 19b-4(e) under the Act (a "UTP Derivative Security") and traded under unlisted trading privileges pursuant to Rule 19b-4(e) under the Act shall be subject to the additional following rules:

(1) Form 19b-4(e). IEX shall file with the Commission a Form 19b- 4(e) with respect to each UTP Derivative Security.

(2) Information Circular. IEX shall distribute an information circular prior to the commencement of trading in each such UTP Derivative Security that generally includes the same information as contained in the information circular provided by the listing exchange, including: (a) the special risks of trading the new derivative securities product; (b) the Rules of IEX that will apply to the new derivative securities product, including Rule 3.170; (c) information about the dissemination of the value of the underlying assets or indexes; and (d) the applicable system hours for the UTP Derivative Security and the risks of trading during the period from 8:00 a.m. to 9:30 a.m. and from 4:00 p.m. to 7:00 p.m. due to the lack of calculation or dissemination of the underlying index value, the Intra-Day Indicative Value (as defined in IEX Rule 16.105(a)(3)(C)) or a similar value.

(3) Product Description.

Members are subject to the prospectus delivery requirements under the Securities Act of 1933, unless the UTP Derivative Security is the subject of an order by the Commission exempting the product from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and the product is not otherwise subject to prospectus delivery requirements under the Securities Act of 1933.

IEX shall inform Members of the application of the provisions of this subparagraph to UTP Derivative Securities by means of an information circular. IEX requires that Members provide all purchasers of UTP Derivative Securities a written description of the terms and characteristics of those securities, in a form approved by IEX or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include a written description with any sales material relating to UTP Derivative Securities that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the

UTP Derivative Securities as an investment vehicle must include a statement substantially in the following form:

> "A circular describing the terms and characteristics of [the UTP Derivative Securities] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Derivative Securities]."

A Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase UTP Derivative Securities for such omnibus account will be deemed to constitute an agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to the Member under this IEX Rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular UTP Derivative Securities.

(4) Trading Halts. Trading halts of UTP Derivative Securities shall be governed by IEX Rule 11.280, IEX Rule 16.170, or Supplementary Material .01(c) to IEX Rule 14.207.

(5) Limitations on Market Makers. Market makers in a UTP Derivative Security that is a Commodity-Related Security (as defined in IEX Rule 16.127) shall comply with IEX Rule 16.127.

(6) Surveillance. IEX shall enter into a comprehensive surveillance sharing agreement with markets trading components of the index or portfolio on which the UTP Derivative Security is based to the same extent as the listing exchange's rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets.

Rule 16.170. Trading Halts for Trading of Certain Derivative Securities Products on IEX Pursuant to Unlisted Trading Privileges

(a) During Pre-Market Session. If a Derivative Securities Product begins trading on IEX in the Pre-Market Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, IEX may continue to trade the Derivative Securities Product for the remainder of the Pre-Market Session.

(b) During Regular Market Hours. During the Regular Market Hours, if a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, and the listing market halts trading in the Derivative Securities Product, IEX, upon notification by the listing market of a halt due to such temporary interruption, also shall immediately halt trading in the Derivative Securities Product on IEX.

(c) Post-Market Session and Next Trading Day.

(1) If an applicable Required Value continues not to be calculated or widely disseminated after the close of the Regular Market Session, IEX may trade the Derivative Securities Product in the Post-Market Session only if the listing market traded the Derivative Securities Product until the close of its regular trading session without a halt.

(2) If an applicable Required Value continues not to be calculated or widely disseminated as of the beginning of the Pre-Market Session on the next trading day, IEX shall not commence trading of the Derivative Securities Product in the Pre-Market Session that day. If an interruption in the calculation or wide dissemination of an applicable Required Value continues, IEX may resume trading in the Derivative Securities Product only if calculation and wide dissemination of the applicable Required Value resumes or trading in the Derivative Securities Product resumes in the listing market.

(d) Definitions. For purposes of this IEX Rule:

(1) Derivative Securities Product means a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, or Trust Issued Receipts (as defined in IEX Rules 16.105, 16.135, and 16.120, respectively), a series of Commodity-Related Securities (as defined in IEX Rule 16.127), securities representing interests in unit investment trusts or investment companies, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, or Managed Trust Securities (as defined in IEX Rule 16.111(a) - (j)), or any other UTP Derivative Security (as defined in IEX Rule 16.160).

(2) Required Value shall mean (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in IEX Rule 16.135, or Managed Trust Securities, as defined in IEX Rule 16.111(j).

Investors' Exchange LLC

Date of filing: September 9, 2015

Date as of which the information is accurate: September 9, 2015

Exhibit C

For each subsidiary or affiliate of the applicant, and for any entity with whom the applicant has a contractual or other agreement relating to the operation of an electronic trading system to be used to effect transactions on the exchange ("System"), provide the following information:

1. Name and address of organization.

2. Form of organization (e.g., association, corporation, partnership, etc.).

3. Name of state and statute citation under which organized. Date of incorporation in present form.

4. Brief description of nature and extent of affiliation.

5. Brief description of business or functions. Description should include responsibilities with respect to operation of the System and/or execution, reporting, clearance, or settlement of transactions in connection with operation of the System.

6. A copy of the constitution.

7. A copy of the articles of incorporation or association including all amendments.

8. A copy of existing by-laws or corresponding rules or instruments.

9. The name and title of the present officers, governors, members of all standing committees, or persons performing similar functions.

10. An indication of whether such business or organization ceased to be associated with the applicant during the previous year, and a brief statement of the reasons for termination of the association.

<u>IEX Group, Inc. (IEXG)</u>

1. IEX Group, Inc. (IEXG) is located at 4 World Trade Center, Floor 44, New York, NY 10007
2. IEXG is a corporation
3. IEXG is formed under the laws of Delaware, under Section 102 of the Delaware General Corporate Law. IEXG was incorporated on June 27, 2012.
4. IEXG is the parent company of Investors' Exchange LLC and owns 100% of its membership interests.
5. IEXG is a holding company which owns 100% of the equity of the Exchange and of IEX Services LLC (IEXS). IEXG is the entity through which the ultimate owners of the applicant hold their ownership interest in the applicant and its affiliates. IEXG is the primary employer of all IEX personnel. All registered personnel are "Associated Persons" of IEXS. IEXG is also a technology company which develops technology and licenses it to its subsidiaries for use in addition to providing certain support and administrative services to its subsidiaries via Software License and

Expense Sharing Agreements. Although IEXG will not itself carry out regulatory functions, its activities with respect to the operation of the Exchange must be consistent with, and not interfere with, the Exchange's self-regulatory obligations. The proposed IEXG corporate documents include provisions that are designed to maintain the independence of the Exchange's self-regulatory function from IEXG, enable the Exchange to operate in a manner that complies with federal securities laws, including the objectives of Sections 6(b) and 19(g) of the Act, and facilitate the ability of the SEC to fulfill their regulatory and oversight obligations under the Act. For example, IEXG submits to the SEC's jurisdiction with respect to activities relating to the Exchange, and agrees to provide to the SEC and the Exchange access to its books and records that are related to the operation or administration of the Exchange. In addition, to the extent they are related to the operation or administration of the Exchange, the books, records, premises, officers, directors, agents, and employees of the Exchange for purposes of, are subject to oversight pursuant to, the Act. IEXG also agrees to keep confidential non-public information relating to the self-regulatory function of the Exchange and not to use such information for any non-regulatory purpose. In addition, the board of directors of IEXG, as well as its officers, employees, and agents, are required to give due regard to the preservation of the independence of the Exchange's self-regulatory function. Further, IEXG Operating Agreement requires that any changes to the IEXG Certificate of Incorporation and Operating Agreement be submitted to the Board of Directors of the Exchange, and if such amendment is required to be filed with the SEC pursuant to Section 19(b) of the Act, such change shall not be effective until filed with, or filed with and approved by, the SEC. The IEXG proposed Amended and Restated Certificate of Incorporation includes restrictions on the ability to own and vote shares of IEXG. These limitations are designed to prevent any shareholder from exercising undue control over the operation of the Exchange and to assure that the Exchange and the SEC are able to carry out their regulatory obligations under the Act.

6. This is inapplicable
7. The following are the articles of incorporation and amendments:
   - Attached as Addendum C-1 is the Second Amended and Restated Certificate of Incorporation of IEXG dated August 2014, as filed with the Delaware Secretary of State.
   - Attached as Addendum C-2 is the draft Third Amended and Restated Certificate of Incorporation of IEXG, which will be adopted shortly before the launch date of the Exchange.

8. The following are the by-laws and amendments:
   - Attached as Addendum C-3 are the by-laws of IEXG adopted June 27, 2012.
   - Attached as Addendum C-4 are the draft amended and restated by-laws of IEXG, which will be adopted shortly before the launch date of the Exchange.
9. The following are the officers and members of the Board of Directors of IEXG.

Name	**Corporate Title**	**Functional Title**
Bradley Katsuyama	Officer / Board Member	President & Chief Executive Officer
John Schwall	Officer / Board Member	Chief Operating Officer & Chief Compliance Officer

Ronan Ryan	Officer / Board Member	Chief Strategy Officer
Robert Park	Officer / Board Member	Chief Technology Officer
Sophia Lee	Officer	General Counsel and Secretary
Lloyd Feller	Board Member	N/A
James Clark	Board Member	N/A
Alex Finkelstein	Board Member	N/A

10. Association with the applicant has not ceased during the previous year.

IEX Services LLC (IEXS)

1. IEX Services LLC (IEXS), located at 4 World Trade Center, Floor 44, New York, NY 10007.
2. IEXS is a limited liability company.
3. IEXS is formed under the laws of Delaware, January 12, 2013.
4. IEXS is also wholly owned by IEXG, which is the parent of Investors' Exchange LLC.
5. IEXS is a broker-dealer that will be a facility of the Exchange, responsible for outbound routing only.
6. This is inapplicable.
7. See the following:
   - Attached as Addendum C-5 is the Certificate of Formation of IEX Services LLC, dated January 22, 2013, as filed with the Delaware Department of State.
8. See the following:
   - Attached as Addendum C-6 is the Second Amended and Restated Operating Agreement of IEXS

9. The following are the officers and members of the Board of Directors of IEXS.

Name	Corporate Title	Functional Title
Bradley Katsuyama	Officer / Board Member	President & Chief Executive Officer
John Schwall	Officer / Board Member	Chief Operating Officer, Chief Compliance Officer, Treasurer & Secretary
Sophia Lee	Officer	General Counsel and Secretary

10. Association with the applicant has not ceased during the previous year.

The Exchange and its affiliates utilize third-party vendor software/services for certain other components of the Exchange, including:

First Derivatives plc

The Exchange has entered into a contract to license the Delta Surveillance product from First Derivatives plc, located at 45 Broadway, 20th Floor, New York, NY 10006. The Delta Surveillance product will be

used by the Exchange for real time and historical research and analysis of trading activity on the Exchange. IEX intends to enter into a regulatory services agreement with FINRA for regulatory surveillance of trading activity on IEX. IEX also intends to enter into an allocation plan with FINRA pursuant to Rule 17d-2 under Securities Exchange Act of 1934, as amended ("Exchange Act"), to allocate certain IEX regulatory responsibilities to FINRA, subject to Commission approval. In addition, IEX intends to become a party to the multi-party allocation plan pursuant to Rule 17d-2 under the Exchange Act for the surveillance, investigation, and enforcement of common insider trading rules, subject to Commission approval.

1. Name and address of organization – First Derivatives plc (address: 45 Broadway, 20th Floor, New York, NY 10006)

2. Form of organization (e.g., association, corporation, partnership, etc.) – UK (Northern Ireland) public limited company

3. Name of state and statute citation under which organized. Date of incorporation in present form. - Registered on 31 January 2002 under the Companies (Northern Ireland) Order 1986.

4. Brief description of nature and extent of affiliation. - The Exchange will be entering into a contract to license the Delta Surveillance product from First Derivatives plc. The Delta Surveillance product will be used by the Exchange for real time and historical trade surveillance of the Exchange.

5. Brief description of business or functions. Description should include responsibilities with respect to operation of the System and/or execution, reporting, clearance, or settlement of transactions in connection with operation of the System. First Derivatives is a leading provider of products and consulting services to the capital markets industry. Focused on financial institutions that work cross-asset, often with multi-system and/or high volume trading activities, the Company scopes, designs, develops, implements and supports a broad range of mission critical data and trading systems across front, middle and back-office operations.

Incorporated in 1996, First Derivatives has served the capital markets industry since its incorporation. The Company holds a niche market position in terms of domain knowledge of capital market asset classes (equities, fixed income, foreign exchange, commodities, etc.), as well as expertise in leading financial services systems (such as Calypso, Murex, Opics, Summit, Principia, Opus, Wall Street, kdb+, etc). The Company continues to work closely with leading global financial institutions to enable client proprietary and 3rd Party systems cope with the demands of high volume, complex trading in an increasingly regulated market. This combination of domain knowledge and technical expertise in leading financial services technologies has motivated the Company to invest in developing its own product suite.

First Derivatives is a publicly held company, trading on the London Stock Exchange (LSE FDP.L) and Irish Stock Exchange (IEX:GYQ.I). The Company is headquartered in Newry, Northern Ireland from where it has established its research and development centre, its Capital Markets Competency Centre and its near-shore support facilities. The Company has continued to expand its service offering and now has operational bases in Europe, North America, Asia and Australia to service its global client base. The Exchange will be entering into a contract to license the Delta Surveillance product from First Derivatives

plc. The Delta Surveillance product will be used by the Exchange for real time and historical research and analysis of trading activity on the Exchange.

6. A copy of the constitution. Not applicable. First Derivatives does not have a constitution.

7. A copy of the articles of incorporation or association including all amendments. Attached as Addendum C-7 is the Certificate of Incorporation of First Derivatives Plc.

8. A copy of existing by-laws or corresponding rules or instruments. Attached as Addendum C-8 is the Updated Copy of Memorandum and Articles of Association of First Derivatives Plc.

9. The name and title of the present officers, governors, members of all standing committees, or persons performing similar functions.

Current officers of First Derivatives Plc:

- Seamus Keating Non-executive Director (Chairman)
- David Anderson Non-executive Director
- Patrick Brazel Non-executive Director
- Keith MacDonald Non-executive Director
- Brian Conlon Chief Executive Officer
- Graham Ferguson Chief Financial Officer
- John Kearns Company Secretary

Audit Committee

- Keith MacDonald Non-executive Director (Chairman)
- David Anderson Non-executive Director
- Patrick Brazel Non-executive Director

Remuneration Committee

- Patrick Brazel Non-executive Director (Chairman)
- Seamus Keating Non-executive Director
- David Anderson Non-executive Director

10. Association with the applicant has not ceased during the previous year.

<u>IEX Group, Inc. arrangements with third party vendors</u>

IEXG has leased data center space at an Equinix, Inc. facility located at 800 Secaucus Road, Secaucus, NJ 07094 ("NY5") as well as a Savvis facility located at 1919 Park Avenue, Weehawken, NJ ("NJ2X"). IEX has also leased data center space with an Equinix facility located at 350 East Cermak Road, Chicago, IL 60616 to use as its DR facility. These data center spaces will be used to host the IEX infrastructure necessary for operating the System. IEX has also leased data center space with a Nasdaq facility located at 1400 Federal Boulevard, Carteret, NJ and with a NYSE facility located at 1600 Macarthur Boulevard, Mahwah, NJ, to receive the necessary market data and report and publish trades to the SIP.

IEX Services LLC has entered into a Clearing Agreement with Broadcort, a division of Merrill Lynch, Pierce, Fenner & Smith, located at One Bryant Park, 6th Floor, New York, NY 10036, for the clearing of trades routed by the Exchange, via IEX Services LLC to other execution venues. Broadcort is responsible

for the acceptance of trade files for clearing from IEX Services LLC for each trading day, and the submission of those trades as clearing records to the NSCC on a locked-in basis under Qualified Special Representative agreements between Broadcort and the Members which self-clear and/or the clearing firms of Members of the Exchange.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "IEX GROUP, INC.", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF AUGUST, A.D. 2014, AT 8:35 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State

5176154 8100

AUTHENTICATION: 1640920

141099053

DATE: 08-22-14

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:35 AM 08/22/2014
FILED 08:35 AM 08/22/2014
SRV 141099053 - 5176154 FILE

EXECUTION VERSION

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF IEX GROUP, INC.

(Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware)

IEX Group, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is IEX Group, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on June 27, 2012 under the name IEX Group, Inc.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is IEX Group, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, Zip Code 19808. The name of the registered agent of the corporation in the State of Delaware at such address is Corporation Service Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 10,100,000 shares of Common Stock, $0.01 par value per share ("**Common Stock**"), and (ii) 5,020,882 shares of Preferred Stock, $0.01 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

A total of 375,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-1 Preferred Stock**," a total of 2,440,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**" and a total of 2,205,882 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**", each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the applicable Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the

holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. The "**Series A-1 Original Issue Price**" shall mean $4.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-1 Preferred Stock. The "**Series B-1 Original Issue Price**" shall mean $10.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-1 Preferred Stock. The "**Series C Original Issue Price**" shall mean $34.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock. For purposes hereof, the Series A-1 Original Issue Price, the Series B-1 Original Issue Price and the Series C Original Issue Price, collectively, shall be referred to as the "**Original Issue Price**," and individually, as the "**applicable Original Issue Price**."

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Payments to Holders of Senior Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series C Preferred Stock and Series B-1 Preferred Stock (together, the "**Senior Preferred Stock**") then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Series A-1 Preferred Stock and Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of such series of Senior Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event (the amount payable to a series of Senior Preferred Stock pursuant to this sentence is hereinafter referred to as an applicable "**Senior Preferred Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Senior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Payments to Holders of Series A-1 Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after full payment of the Senior Preferred Liquidation Amount as set forth above, the holders of shares of Series A-1 Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Series A-1 Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series A-1 Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed

Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series A-1 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A-1 Preferred Stock the full amount to which they shall be entitled under this Subsection 2.2, the holders of shares of Series A-1 Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.3 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after full payment of the Senior Preferred Liquidation Amount and the Series A-1 Liquidation Amount, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

2.4 Deemed Liquidation Events.

2.4.1 Definition. Each of the following events shall be deemed a liquidation of the Corporation (a "**Deemed Liquidation Event**") unless the holders of at least sixty percent (60%) of the outstanding shares of Senior Preferred Stock, voting together as a single class and on an as-converted basis (the "**Requisite Preferred Holders**") elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger,consolidation or reorganization in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger, consolidation or reorganization involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger, consolidation or reorganization continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger, consolidation or reorganization, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger, consolidation or reorganization, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the

Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

(c) (i) a single transaction or series of related transactions to which the Corporation is a party, involving the sale or transfer of outstanding shares of capital stock of the Corporation, or (ii) the issuance of shares of capital stock by the Corporation, in either case, under circumstances in which the holders of the voting power of outstanding capital stock of the Corporation, immediately prior to such transaction(s), own less than 50% in voting power of the outstanding capital stock of the Corporation immediately following such transaction; provided, however, that the issuance of shares of preferred stock of the Corporation by the Corporation in a bona fide equity financing transaction that is approved by the Requisite Preferred Holders shall not constitute a Deemed Liquidation Event under this Section 2.4.1(c).

2.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2 and 2.3.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(ii) or 2.4.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the Requisite Preferred Holders so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the Senior Preferred Liquidation Amount or Series A-1 Liquidation Amount, as applicable. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall (x) first ratably redeem each holder's shares of Senior Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares of Senior Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders, and (y) next ratably redeem each holder's shares of Series A-1 Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares of Series A-1 Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders. The

provisions of Subsection 2.4.2(c) through Subsection 2.4.2(e) shall apply to the redemption of the Preferred Stock pursuant to this Subsection 2.4.2(b). Prior to the distribution or redemption provided for in this Subsection 2.4.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business solely to wind down the business and affairs of the Corporation.

(c) The Corporation shall send written notice of the redemption pursuant to Subsection 2.4.2(b) (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than 90 days after the Deemed Liquidation Event. Each Redemption Notice shall state:

(i) the number of shares of Preferred Stock held by the holder that the Corporation shall redeem;

(ii) the date of redemption (the "**Redemption Date**") and price per share of the Preferred Stock to be redeemed (the "**Redemption Price**");

(iii) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and

(iv) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of the Preferred Stock to be redeemed.

(d) On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder.

(e) If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of

Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor.

2.4.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any event specified in this Subsection 2.4 shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Series C Preferred Stock, exclusively and voting as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Series C Director**"), the holders of record of the shares of Series B-1 Preferred Stock, exclusively and voting as a separate class, shall be entitled to elect two (2) directors of the Corporation (each, a "**Series B-1 Director**" and the Series C Director and the Series B-1 Directors, each a "**Preferred Director**") and the holders of record of the shares of Common Stock, exclusively and separately as a separate class, shall be entitled to elect four (4) directors of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series C Preferred Stock, Series B-1 Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series C Preferred Stock, Series B-1 Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the

outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2. The rights of the holders of the Series C Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Original Issue Date (as defined below) on which there are issued and outstanding less than 222,000 shares of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series C Preferred Stock) and the rights of the holders of the Series B-1 Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Original Issue Date (as defined below) on which there are issued and outstanding less than 350,000 shares of Series B-1 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series B-1 Preferred Stock).

3.3 Senior Preferred Stock Protective Provisions. At any time when at least 800,000 shares of Senior Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to any class or series of Senior Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the Requisite Preferred Holders, given in writing or by vote at a meeting:

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or effect any merger or consolidation, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Senior Preferred Stock;

3.3.3 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Senior Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase the authorized number of shares of any series of Senior Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock unless the same ranks junior to the Senior Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series B-1 Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and as expressly

authorized herein, (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof, (iv) acquisitions of Common Stock in exercise of the Corporation's right of first refusal to repurchase such shares, such acquisitions not to exceed $1,000,000 in the aggregate in any one calendar year, or (v) as approved by the Board of Directors of the Corporation, including the approval of a majority of the Preferred Directors;

3.3.5 consummate an underwritten initial public offering of the Corporation's Common Stock that is not a Qualified IPO (as defined below);

3.3.6 enter into or be a party to any transaction with any director or officer of the Corporation or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act of 1934, as amended) of any such person, except for (i) transactions entered into in connection with the sale and issuance of the Series C Preferred Stock pursuant to the Series C Preferred Stock Purchase Agreement dated on or about the Original Issue Date (as defined below), by and among the Corporation and the Purchasers identified therein (the "**Series C Purchase Agreement**"), (ii) transactions entered into in the ordinary course of the Corporation's business and on terms that are fair and reasonable and consistent with an arm's length transaction, (iii) transactions resulting in payments to or by the Corporation in an aggregate amount less than $60,000 per year, and (iv) transactions approved by the Board of Directors, including the approval of a majority of the Preferred Directors;

3.3.7 increase or decrease the authorized number of directors constituting the Board of Directors;

3.3.8 create, or authorize the creation of, or issue, or authorize the issuance of any debt security, or permit any subsidiary to take any such action with respect to any debt security, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $5,000,000, other than equipment leases or bank lines of credit and unless such debt security has received the prior approval of the Board of Directors, including the approval of a majority of the Preferred Directors;

3.3.9 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary or permit any direct or indirect subsidiary to sell, transfer or otherwise issue any of its securities other than to the Corporation or to a wholly-owned subsidiary of the Corporation; or

3.3.10 increase the number of shares of Common Stock reserved for issuance under any equity incentive plan adopted by the Corporation.

3.4 Series A-1 Preferred Stock Protective Provisions. For so long as any shares of Series A-1 Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series A-1 Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A-1 Preferred Stock.

4. Optional Conversion. The holders of Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price (as defined below) in effect at the time of conversion. The **"Series A-1 Conversion Price"** shall initially be equal to $4.00. The **"Series B-1 Conversion Price"** shall initially be equal to $10.00. The **"Series C Conversion Price"** shall initially be equal to $34.00. For purposes hereof, the Series A-1 Conversion Price, the Series B-1 Conversion Price and the Series C Conversion Price shall be referred to as the "**Conversion Price**" and individually as the **"applicable Preferred Conversion Price"**. Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit

and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. (i) The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and (ii) without limitation of the Corporation's obligations under clause (i) of this sentence, if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the reasonable opinion of its outside legal counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common

Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Original Issue Date**" shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock issued upon conversion of the Preferred Stock; or

(ii) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock; or

(iii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8; or

(iv) up to 1,903,348 shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors, and in existence as of the Original Issue Date; or

(v) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; or

(vi) shares of Common Stock, Options or Convertible Securities issued to unaffiliated banks, equipment lessors, other financial institutions, real property lessors, pursuant to a bona fide debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors;

(vii) shares of Common Stock, Options or Convertible Securities issued to unaffiliated suppliers or third party service providers in connection with the bona fide provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors;

(viii) shares of Common Stock, Options or Convertible Securities issued pursuant to the bona fide acquisition of an unaffiliated corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or pursuant to a bona fide joint venture agreement, provided, that such issuances are approved by the Board of

Directors of the Corporation, including a majority of the Preferred Directors; or

(ix) shares of Common Stock, Options or Convertible Securities issued to unaffiliated third parties in connection with bona fide sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors.

4.4.2 No Adjustment of Conversion Price. No adjustment in any of the Series A-1 Conversion Price, Series B-1 Conversion Price or Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, and in each case voting separately as a series, agreeing that no such adjustment shall be made to the Conversion Price for such series of Preferred Stock as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to any Conversion Price pursuant to the terms of Subsection 4.4.4 below, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with

respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to any Conversion Price pursuant to the terms of Subsection 4.4.4 below (either because the consideration per share (determined pursuant to Subsection 4.4.5 hereof) of the Additional Shares of Common Stock subject thereto was equal to or greater than the applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a) above) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to any Conversion Price pursuant to the terms of Subsection 4.4.4 below, the applicable Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange,

cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the applicable Conversion Price in effect immediately prior to such issue, then the applicable Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "**CP_2**" shall mean the applicable Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(b) "**CP_1**" shall mean the applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "**A**" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the applicable Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "**B**" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "**C**" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for

Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than 90 days from the first such issuance to the final such issuance, then, upon the final such issuance, the applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the applicable Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger; Reorganization, etc. Subject to the provisions of Subsection 2.4, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of applicable Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the

applicable Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the applicable Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events.

5.1.1 Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least $34.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in an underwritten initial public offering on a national exchange pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $50,000,000 of gross proceeds to the Corporation (a "**Qualified IPO**"), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of the Series A-1 Preferred Stock, voting separately as a series (the time of such closing or the date and time specified or the time of the

event specified in such vote or written consent is referred to herein as the "**Mandatory Series A-1 Conversion Time**"), (i) all outstanding shares of the Series A-1 Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.1.2 Upon either (a) the closing of a Qualified IPO, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of the Series B-1 Preferred Stock, voting separately as a series (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Series B-1 Conversion Time**"), (i) all outstanding shares of the Series B-1 Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.1.3 Upon either (a) the closing of a Qualified IPO, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of the Series C Preferred Stock, voting separately as a series (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Series C Conversion Time**" and, together with the Mandatory Series A-1 Conversion Time and Mandatory Series B-1 Conversion Time, may be referred to herein as an applicable "**Mandatory Conversion Time**"), (i) all outstanding shares of the Series C Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the applicable Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the applicable Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the

applicable Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

7. Waiver. Subject to any other votes required by this Restated Certificate of Incorporation, any of the rights, powers, preferences and other terms of (i) the Series A-1 Preferred Stock set forth herein may be waived on behalf of all holders of Series A-1 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A-1 Preferred Stock then outstanding, (ii) the Series B-1 Preferred Stock set forth herein may be waived on behalf of all holders of Series B-1 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series B-1 Preferred Stock then outstanding, (iii) the Series C Preferred Stock set forth herein may be waived on behalf of all holders of Series C Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series C Preferred Stock then outstanding, and (iv) the Senior Preferred Stock set forth herein may be waived on behalf of all holders of Senior Preferred Stock by the affirmative written consent or vote of the Requisite Preferred Holders.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors of the Corporation or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law

4. That this Second Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Second Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this August 22, 2014.

By: /s/ Bradley Katsuyama
Bradley Katsuyama
Chief Executive Officer

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
IEX GROUP, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

IEX Group, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is IEX Group, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on June 27, 2012 under the name IEX Group, Inc.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Second Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is IEX Group, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, Zip Code 19808. The name of the registered agent of the corporation in the State of Delaware at such address is Corporation Service Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 10,100,000 shares of Common Stock, $0.01 par value per share ("**Common Stock**"), and (ii) 5,020,882 shares of Preferred Stock, $0.01 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

A total of 375,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-1 Preferred Stock**," a total of 2,440,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**" and a total of 2,205,882 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**", each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other

similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the applicable Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. The "**Series A-1 Original Issue Price**" shall mean $4.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-1 Preferred Stock. The "**Series B-1 Original Issue Price**" shall mean $10.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-1 Preferred Stock. The "**Series C Original Issue Price**" shall mean $34.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock. For purposes hereof, the Series A-1 Original Issue Price, the Series B-1 Original Issue Price and the Series C Original Issue Price, collectively, shall be referred to as the "**Original Issue Price**," and individually, as the "**applicable Original Issue Price**."

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Payments to Holders of Senior Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series C Preferred Stock and Series B-1 Preferred Stock (together, the "**Senior Preferred Stock**") then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Series A-1 Preferred Stock and Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of such series of Senior Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event (the amount payable to a series of Senior Preferred Stock pursuant to this sentence is hereinafter referred to as an applicable "**Senior Preferred Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Senior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Payments to Holders of Series A-1 Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after full payment of the Senior Preferred Liquidation Amount as set forth above, the holders of shares of Series A-1 Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Series A-1 Original Issue Price, plus any dividends

declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series A-1 Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series A-1 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A-1 Preferred Stock the full amount to which they shall be entitled under this Subsection 2.2, the holders of shares of Series A-1 Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.3 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after full payment of the Senior Preferred Liquidation Amount and the Series A-1 Liquidation Amount, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

2.4 Deemed Liquidation Events.

2.4.1 Definition. Each of the following events shall be deemed a liquidation of the Corporation (a "**Deemed Liquidation Event**") unless the holders of at least sixty percent (60%) of the outstanding shares of Senior Preferred Stock, voting together as a single class and on an as-converted basis (the "**Requisite Preferred Holders**") elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger,consolidation or reorganization in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger, consolidation or reorganization involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger, consolidation or reorganization continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger, consolidation or reorganization, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger, consolidation or reorganization, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or

otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

(c) (i) a single transaction or series of related transactions to which the Corporation is a party, involving the sale or transfer of outstanding shares of capital stock of the Corporation, or (ii) the issuance of shares of capital stock by the Corporation, in either case, under circumstances in which the holders of the voting power of outstanding capital stock of the Corporation, immediately prior to such transaction(s), own less than 50% in voting power of the outstanding capital stock of the Corporation immediately following such transaction; provided, however, that the issuance of shares of preferred stock of the Corporation by the Corporation in a bona fide equity financing transaction that is approved by the Requisite Preferred Holders shall not constitute a Deemed Liquidation Event under this Section 2.4.1(c).

2.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1, 2.2 and 2.3.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(ii) or 2.4.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the Requisite Preferred Holders so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation)**,** together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the Senior Preferred Liquidation Amount or Series A-1 Liquidation Amount, as applicable. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall (x) first ratably redeem each holder's shares of Senior Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares of Senior Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders, and (y) next ratably redeem each holder's shares of Series A-1 Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares of Series A-1 Preferred Stock as soon as it may lawfully do so under Delaware

law governing distributions to stockholders. The provisions of Subsection 2.4.2(c) through Subsection 2.4.2(e) shall apply to the redemption of the Preferred Stock pursuant to this Subsection 2.4.2(b). Prior to the distribution or redemption provided for in this Subsection 2.4.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business solely to wind down the business and affairs of the Corporation.

(c) The Corporation shall send written notice of the redemption pursuant to Subsection 2.4.2(b) (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than 90 days after the Deemed Liquidation Event. Each Redemption Notice shall state:

(i) the number of shares of Preferred Stock held by the holder that the Corporation shall redeem;

(ii) the date of redemption (the "**Redemption Date**") and price per share of the Preferred Stock to be redeemed (the "**Redemption Price**");

(iii) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and

(iv) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of the Preferred Stock to be redeemed.

(d) On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder.

(e) If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called

for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor.

2.4.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any event specified in this Subsection 2.4 shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Series C Preferred Stock, exclusively and voting as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Series C Director**"), the holders of record of the shares of Series B-1 Preferred Stock, exclusively and voting as a separate class, shall be entitled to elect two (2) directors of the Corporation (each, a "**Series B-1 Director**" and the Series C Director and the Series B-1 Directors, each a "**Preferred Director**") and the holders of record of the shares of Common Stock, exclusively and separately as a separate class, shall be entitled to elect four (4) directors of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series C Preferred Stock, Series B-1 Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series C Preferred Stock, Series B-1 Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the

class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2. The rights of the holders of the Series C Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Original Issue Date (as defined below) on which there are issued and outstanding less than 222,000 shares of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series C Preferred Stock) and the rights of the holders of the Series B-1 Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Original Issue Date (as defined below) on which there are issued and outstanding less than 350,000 shares of Series B-1 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series B-1 Preferred Stock).

3.3 Senior Preferred Stock Protective Provisions. At any time when at least 800,000 shares of Senior Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to any class or series of Senior Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the Requisite Preferred Holders, given in writing or by vote at a meeting:

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or effect any merger or consolidation, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Senior Preferred Stock;

3.3.3 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Senior Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase the authorized number of shares of any series of Senior Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock unless the same ranks junior to the Senior Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series B-1 Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and as expressly authorized herein, (iii) repurchases of stock from former employees, officers, directors, consultants

or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof, (iv) acquisitions of Common Stock in exercise of the Corporation's right of first refusal to repurchase such shares, such acquisitions not to exceed $1,000,000 in the aggregate in any one calendar year, or (v) as approved by the Board of Directors of the Corporation, including the approval of a majority of the Preferred Directors;

3.3.5 consummate an underwritten initial public offering of the Corporation's Common Stock that is not a Qualified IPO (as defined below);

3.3.6 enter into or be a party to any transaction with any director or officer of the Corporation or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act of 1934, as amended) of any such person, except for (i) transactions entered into in connection with the sale and issuance of the Series C Preferred Stock pursuant to the Series C Preferred Stock Purchase Agreement dated on or about the Original Issue Date (as defined below), by and among the Corporation and the Purchasers identified therein (the "**Series C Purchase Agreement**"), (ii) transactions entered into in the ordinary course of the Corporation's business and on terms that are fair and reasonable and consistent with an arm's length transaction, (iii) transactions resulting in payments to or by the Corporation in an aggregate amount less than $60,000 per year, and (iv) transactions approved by the Board of Directors, including the approval of a majority of the Preferred Directors;

3.3.7 increase or decrease the authorized number of directors constituting the Board of Directors;

3.3.8 create, or authorize the creation of, or issue, or authorize the issuance of any debt security, or permit any subsidiary to take any such action with respect to any debt security, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $5,000,000, other than equipment leases or bank lines of credit and unless such debt security has received the prior approval of the Board of Directors, including the approval of a majority of the Preferred Directors;

3.3.9 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary or permit any direct or indirect subsidiary to sell, transfer or otherwise issue any of its securities other than to the Corporation or to a wholly-owned subsidiary of the Corporation; or

3.3.10 increase the number of shares of Common Stock reserved for issuance under any equity incentive plan adopted by the Corporation.

3.4 Series A-1 Preferred Stock Protective Provisions. For so long as any shares of Series A-1 Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, without the written consent or

affirmative vote of the holders of a majority of the then outstanding shares of Series A-1 Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A-1 Preferred Stock.

4. Optional Conversion. The holders of Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price (as defined below) in effect at the time of conversion. The **"Series A-1 Conversion Price"** shall initially be equal to $4.00. The **"Series B-1 Conversion Price"** shall initially be equal to $10.00. The **"Series C Conversion Price"** shall initially be equal to $34.00. For purposes hereof, the Series A-1 Conversion Price, the Series B-1 Conversion Price and the Series C Conversion Price shall be referred to as the "**Conversion Price**" and individually as the **"applicable Preferred Conversion Price"**. Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal

office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. (i) The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and (ii) without limitation of the Corporation's obligations under clause (i) of this sentence, if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the reasonable opinion of its outside legal counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such

appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Original Issue Date**" shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock issued upon conversion of the Preferred Stock; or

(ii) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock; or

(iii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common

Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8; or

(iv) up to 1,903,348 shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors, and in existence as of the Original Issue Date; or

(v) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; or

(vi) shares of Common Stock, Options or Convertible Securities issued to unaffiliated banks, equipment lessors, other financial institutions, real property lessors, pursuant to a bona fide debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors;

(vii) shares of Common Stock, Options or Convertible Securities issued to unaffiliated suppliers or third party service providers in connection with the bona fide provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors;

(viii) shares of Common Stock, Options or Convertible Securities issued pursuant to the bona fide acquisition of an unaffiliated corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or pursuant to a bona fide joint venture agreement, provided, that such issuances are approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors; or

(ix) shares of Common Stock, Options or Convertible Securities issued to unaffiliated third parties in connection with bona fide sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors.

4.4.2 No Adjustment of Conversion Price. No adjustment in any of the Series A-1 Conversion Price, Series B-1 Conversion Price or Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, and in each case voting separately as a series, agreeing that no such adjustment shall be made to the Conversion Price for such series of Preferred Stock as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to any Conversion Price pursuant to the terms of Subsection 4.4.4 below, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the

Conversion Price to an amount which exceeds the lower of (i) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to any Conversion Price pursuant to the terms of Subsection 4.4.4 below (either because the consideration per share (determined pursuant to Subsection 4.4.5 hereof) of the Additional Shares of Common Stock subject thereto was equal to or greater than the applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a) above) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to any Conversion Price pursuant to the terms of Subsection 4.4.4 below, the applicable Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming

for purposes of calculating such adjustment to the applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the applicable Conversion Price in effect immediately prior to such issue, then the applicable Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "**CP_2**" shall mean the applicable Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(b) "**CP_1**" shall mean the applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "**A**" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the applicable Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "**B**" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "**C**" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of

no more than 90 days from the first such issuance to the final such issuance, then, upon the final such issuance, the applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the applicable Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of

Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger; Reorganization, etc. Subject to the provisions of Subsection 2.4, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of applicable Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the applicable Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the applicable Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events.

5.1.1 Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least $34.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in an underwritten initial public offering on a national exchange pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $50,000,000 of gross proceeds to the Corporation (a "**Qualified IPO**"), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of the Series A-1 Preferred Stock, voting separately as a series (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Series A-1 Conversion Time**"), (i) all outstanding shares of the Series A-1 Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.1.2 Upon either (a) the closing of a Qualified IPO, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of the Series B-1 Preferred Stock, voting separately as a series (the

time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Series B-1 Conversion Time**"), (i) all outstanding shares of the Series B-1 Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.1.3 Upon either (a) the closing of a Qualified IPO, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of the Series C Preferred Stock, voting separately as a series (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Series C Conversion Time**" and, together with the Mandatory Series A-1 Conversion Time and Mandatory Series B-1 Conversion Time, may be referred to herein as an applicable "**Mandatory Conversion Time**"), (i) all outstanding shares of the Series C Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the applicable Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the applicable Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the applicable Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for the Series A-1 Preferred Stock, Series B-1 Preferred Stock or Series C Preferred Stock, as applicable, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such

series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

7. Waiver. Subject to any other votes required by this Restated Certificate of Incorporation, any of the rights, powers, preferences and other terms of (i) the Series A-1 Preferred Stock set forth herein may be waived on behalf of all holders of Series A-1 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A-1 Preferred Stock then outstanding, (ii) the Series B-1 Preferred Stock set forth herein may be waived on behalf of all holders of Series B-1 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series B-1 Preferred Stock then outstanding, (iii) the Series C Preferred Stock set forth herein may be waived on behalf of all holders of Series C Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series C Preferred Stock then outstanding, and (iv) the Senior Preferred Stock set forth herein may be waived on behalf of all holders of Senior Preferred Stock by the affirmative written consent or vote of the Requisite Preferred Holders.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to the Bylaws, including the provisions contained within Section 51 thereof, and any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors of the Corporation or in the Bylaws of the Corporation.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, subject to rights conferred upon stockholders set forth herein (including, without limitation, pursuant to Sections 3.3, 3.4 and 7 of this Certificate of Incorporation). Commencing on the date (the "**Registration Date**") that Investors' Exchange LLC is registered as a national securities exchange pursuant to Section 6(a) of the Securities Exchange Act of 1934, as amended (the "**Act**"), for so long as this Corporation shall control, directly or indirectly, Investors' Exchange LLC, before any amendment to or repeal of any provision of this Certificate of Incorporation shall be effective, those changes shall be submitted to the Board of Directors of Investors' Exchange LLC and if the same must be filed with or filed with and approved by the United States Securities and Exchange Commission (the "**Commission**") before the changes may be effective, under Section 19 of the Act and the rules promulgated under that Act by the Commission or otherwise, then the proposed changes to the Certificate of Incorporation of this Corporation shall not be effective until filed with or filed with and approved by the Commission, as the case may be.

TENTH: In addition to any limitations on the transfer of shares of the Corporation's capital stock set forth in the By-Laws of the Corporation and any agreement amongst stockholders, the following shall apply commencing on the Registration Date to the fullest extent permitted by law for so long as this Corporation shall control, directly or indirectly, Investors' Exchange LLC, except as provided below in Section 2 of Paragraph B of this Article TENTH:

A. Definitions. As used in this Article Tenth:

1. The term "**Person**" shall mean a natural person, partnership, corporation, limited liability company, entity, government, or political subdivision, agency or instrumentality of a government;

2. The term "**Related Persons**" shall mean with respect to any Person: (A) any "affiliate" of such Person (as such term is defined in Rule 12b-2 under the Act); (B) any other Person with which such first Person has any agreement, arrangement or understanding (whether or not in writing) to act together for the purpose of acquiring, voting, holding or disposing of shares of the capital stock of the Corporation; (C) in the case of a Person that is a company, corporation or similar entity, any executive officer (as defined under Rule 3b-7 under the Act) or director of such Person and, in the case of a Person that is a partnership or limited liability company, any general partner, managing member or manager of such Person, as applicable; (D) in the case of any Person that is a registered broker or dealer that has been admitted to membership in the national securities exchange known as Investors' Exchange LLC (an "**Exchange Member**"), any Person that is associated with the Exchange Member (as determined using the definition of "person associated with a member" as defined under Section 3(a)(21) of the Act); (E) in the case of a Person that is a natural person and Exchange Member, any broker or dealer that is also an Exchange Member with which such Person is associated; (F) in the case of a Person that is a natural person, any relative or spouse of such Person, or any relative of such spouse who has the same home as such Person or who is a director or officer of the Corporation or any of its parents or subsidiaries; (G) in the case of a Person that is an executive officer (as defined under Rule 3b-7 under the Act) or a director of a company, corporation or similar entity, such company, corporation or entity, as applicable; and (H) in the case of a Person that is a general partner, managing member or manager

of a partnership or limited liability company, such partnership or limited liability company, as applicable; and

3. The term "beneficially owned", "own beneficially" or any derivative thereof shall have the meaning set forth in Rule 13d-3 under the Act.

B. Limitations.

1. For so long as the Corporation shall control, directly or indirectly, the Investors' Exchange LLC, except as provided in Sections 2.1 and 2.2 below of this Article TENTH, Paragraph B:

1.1 No Person, either alone or together with its Related Persons, may own, directly or indirectly, of record or beneficially, shares constituting more than forty percent (40%) of any class of capital stock of the Corporation;

1.2 No Exchange Member, either alone or together with its Related Persons, may own, directly or indirectly, of record or beneficially, shares constituting more than twenty percent (20%) of any class of capital stock of the Corporation; and

1.3 No Person, either alone or together with its Related Persons, at any time may, directly, indirectly or pursuant to any voting trust, agreement, plan or other arrangement, vote or cause the voting of shares of the capital stock of the Corporation or give any consent or proxy with respect to shares representing more than twenty percent (20%) of the voting power of the then issued and outstanding capital stock of the Corporation, nor may any Person, either alone or together with its Related Persons, enter into any agreement, plan or other arrangement with any other Person, either alone or together with its Related Persons, under circumstances that would result in the shares of capital stock of the Corporation that are subject to such agreement, plan or other arrangement not being voted on any matter or matters or any proxy relating thereto being withheld, where the effect of such agreement, plan or other arrangement would be to enable any Person, either alone or together with its Related Persons, to vote, possess the right to vote or cause the voting of shares of the capital stock of the Corporation which would represent more than twenty percent (20%) of said voting power.

2. Subject to Sections 3 and 4 below of this Article TENTH, Paragraph B:

2.1 The limitations in Sections 1.1 and 1.3 above shall not apply in the case of any class of stock that does not have the right by its terms to vote in the election of members of the Board of Directors of the Corporation or on other matters that may require the approval of the holders of voting shares of the Corporation (other than matters affecting the rights, preferences or privileges of said class of stock); and

2.2 The limitations in Sections 1.1 and 1.3 above (except with respect to Exchange Members and their Related Persons) may be waived by the Board of Directors of the Corporation pursuant to a resolution duly adopted by the Board of Directors, if, in connection with the taking of such action, the Board of Directors adopts a resolution stating that it is the determination of such Board that such action will not impair the ability of the Investors' Exchange LLC, to carry out its functions and responsibilities as an "exchange" under the Act, and the rules

and regulations promulgated thereunder; that it is otherwise in the best interests of the Corporation, its stockholders and the Investors' Exchange LLC, and that it will not impair the ability of the Commission to enforce the Act and the rules and regulations promulgated thereunder, and such resolution shall not be effective until it is filed with and approved by the Commission. In making the determinations referred to in the immediately preceding sentence, the Board of Directors may impose on the Person in question and its Related Persons such conditions and restrictions as it may in its sole discretion deem necessary, appropriate or desirable in furtherance of the objectives of the Act and the rules and regulations promulgated thereunder, and the governance of the Investors' Exchange LLC.

3. Notwithstanding Sections 2.1 and 2.2 above, in any case where a Person, either alone or together with its Related Persons, would own or vote more than any of the above percentage limitations upon consummation of any proposed sale, assignment or transfer of the Corporation's capital stock, such sale, assignment or transfer shall not become effective until the Board of Directors of the Corporation shall have determined, by resolution, that such Person and its Related Persons are not subject to any applicable "statutory disqualification" (within the meaning of Section 3(a)(39) of the Act).

4. Notwithstanding Sections 2.1 and 2.2 above, and without giving effect to the same, any Person that either alone or together with its Related Persons proposes to own, directly or indirectly, of record or beneficially, shares of the capital stock of the Corporation constituting more than forty percent (40%) of the outstanding shares of any class of capital stock of the Corporation, or to exercise voting rights, or grant any proxies or consents with respect to shares of the capital stock of the Corporation constituting more than twenty percent (20%) of the voting power of the then issued and outstanding shares of capital stock of the Corporation, shall have delivered to the Board of Directors of the Corporation a notice in writing, not less than forty-five (45) days (or any shorter period to which said Board shall expressly consent) before the proposed ownership of such shares, or the proposed exercise of said voting rights or the granting of said proxies or consents, of its intention to do so.

C. Required Notices.

1. Any Person that, either alone or together with its Related Persons, owns, directly or indirectly (whether by acquisition or by a change in the number of shares outstanding), of record or beneficially five percent (5%) or more of the then outstanding shares of capital stock of the Corporation (excluding shares of any class of stock that does not have the right by its terms to vote generally in the election of members of the Board of Directors of the Corporation) shall, immediately upon acquiring knowledge of its ownership of five percent (5%) or more of the then outstanding shares of such stock, give the Board of Directors written notice of such ownership, which notice shall state: (A) such Person's full legal name; (B) such Person's title or status and the date on which such title or status was acquired; (C) such Person's (and its Related Person's) approximate ownership interest of the Corporation; and (D) whether such Person has the power, directly or indirectly, to direct the management or policies of the Corporation, whether through ownership of securities, by contract or otherwise.

2. Each Person required to provide written notice pursuant to Section 1, Paragraph C of this Article Tenth shall update such notice promptly after any change in the contents of that

notice; provided that no such updated notice shall be required to be provided to the Board of Directors (A) in the event of an increase or decrease in the ownership percentage so reported of less than one percent (1%) of the then outstanding shares of any class of capital stock (such increase or decrease to be measured cumulatively from the amount shown on the last such notice), unless any increase or decrease of less than one percent (1%) results in such Person owning more than twenty percent (20%) or more than forty percent (40%) of the shares of any class of capital stock then outstanding (at a time when such Person previously owned less than such percentages) or such Person owning less than twenty percent (20%) or less than forty percent (40%) of the shares of any class of capital stock then outstanding (at a time when such Person previously owned more than such percentages); or (B) in the event the Corporation issues additional shares of capital stock (or securities convertible into capital stock) or takes any other action that dilutes the ownership of such Person, or acquires or redeems shares of outstanding capital stock or takes any other action that increases the ownership of such Person, in each case without any change in the number of shares held by such Person.

3. The Board of Directors of the Corporation shall have the right to require any Person reasonably believed to be subject to and in violation of this Article Tenth to provide the Corporation complete information as to all shares of stock of the Corporation owned, directly or indirectly, of record or beneficially, by such Person and its Related Persons and as to any other factual matter relating to the applicability or effect of this Article Tenth as may reasonably be requested of such Person.

D. Effect of Purported Transfers and Voting in Violation of this Article.

If any stockholder purports to sell, transfer, assign or pledge to any Person, other than the Corporation, any shares of the Corporation that would violate the provisions of this Article Tenth, then the Corporation shall record on the books of the Corporation the transfer of only that number of shares that would not violate the provisions of this Article Tenth and shall treat the remaining shares as owned by the purported transferor, for all purposes, including without limitation, voting, payment of dividends and distributions with respect to such shares whether upon liquidation or otherwise. If any stockholder purports to vote, or to grant any proxy or enter into any agreement, plan or other arrangement relating to the voting of, shares that would violate the provisions of this Article Tenth, then the Corporation shall not honor such vote, proxy, agreement, plan or other arrangement to the extent that such provisions would be violated, and any shares subject to that arrangement shall not be entitled to be voted to the extent of such violation.

E. Right to Redeem Shares Purportedly Transferred or Owned in Violation of this Article.

If any stockholder purports to sell, transfer, assign, pledge or own any shares of the Corporation in violation of the provisions of this Article Tenth, then the Corporation shall have the right to, and shall promptly after confirming such violation and to the extent funds are legally available, redeem the shares sold, transferred, assigned, pledged, or owned in violation of the provisions of this Article Tenth for a price per share equal to the par value of those shares. The number of shares to be redeemed by the Corporation pursuant to the foregoing provision shall be calculated by the Corporation after taking into account that such redeemed shares shall become treasury shares and shall no longer be deemed to be outstanding. Written notice shall be given by

the Secretary of the Corporation to the holder or holders of record with respect to the redeemable shares at the address of the holder or holders of record appearing on the books of the Corporation, which notice shall specify a date for redemption of the shares that shall be not less than ten (10) days nor more than thirty (30) days from the date of such notice. Any shares which have been so called for redemption shall not be deemed outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been given to the holder or holders of those shares if a sum sufficient to redeem such shares shall have been irrevocably deposited or set aside to pay the redemption price to the holder or holders of the shares upon surrender of certificates for those shares. From and after the redemption date (unless the Corporation shall default in providing funds for the payment of the redemption price) the shares of redeemed stock which have been redeemed by the Corporation as aforesaid shall become treasury shares and shall no longer be deemed to be outstanding, and all rights of the holder of such redeemed stock as a stockholder of the Corporation (except the right to receive from the Corporation the redemption price against delivery to the Corporation of evidence of ownership of such shares) shall cease. Written notice shall be given by the Secretary of the Corporation to all holders of record appearing on the books of the Corporation of any redemption by the Corporation (including, without limitation, a redemption pursuant to this Paragraph E of this Article Tenth) (in each case, a "**Redemption**") not more than ten (10) days after consummation of the Redemption, which notice shall specify the number of shares outstanding after the Redemption of each class of the Corporation's capital stock. In the event that any redemption has resulted in any additional stockholder owning such number of shares of the Corporation that is in violation of the provisions of this Article Tenth, the Corporation shall have the right to and shall promptly after confirming such violation, redeem such shares pursuant to the provisions of this Article Tenth.

ELEVENTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Eleventh to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Eleventh by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TWELFTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Twelfth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

THIRTEENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law

4. That this Third Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Second Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Third Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this _____ __, 2015.

By: _____
Bradley Katsuyama
Chief Executive Officer

BYLAWS

OF

IEX GROUP, INC.
(A DELAWARE CORPORATION)
(ADOPTED JUNE 27, 2012)

BYLAWS

OF

IEX GROUP, INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("***DGCL***").

Section 5. Annual Meeting.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in the following paragraph,

who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5.

(b) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, (i) the stockholder must have given timely notice thereof in writing to the Secretary of the corporation, (ii) such other business must be a proper matter for stockholder action under the DGCL, (iii) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the corporation with a Solicitation Notice (as defined in this Section 5(b)), such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the corporation's voting shares reasonably believed by such stockholder or beneficial owner to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice, and (iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section 5. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (A) as to each person whom the stockholder proposed to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and Rule 14a-4(d) thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (ii) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner, and (iii) whether either

such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of the proposal, at least the percentage of the corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent, a "***Solicitation Notice***").

(c) Notwithstanding anything in the second sentence of Section 5(b) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the corporation.

(d) Only such persons who are nominated in accordance with the procedures set forth in this Section 5 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 5. Except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

(e) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, stockholders must provide notice as required by the regulations promulgated under the 1934 Act. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation proxy statement pursuant to Rule 14a-8 under the 1934 Act.

(f) For purposes of this Section 5, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (iv) by the holders of shares entitled to cast not less than twenty percent (20%) of the votes at

the meeting, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by telegraphic or other facsimile transmission to the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary of the corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than thirty-five (35) nor more than one hundred twenty (120) days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

Section 7. Notice of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote

communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such

tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the corporation as provided in Section 228(c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the state of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the board of directors of the corporation. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and

closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors shall initially be three (3), such number to be changed from time to time by resolution of the Board of Directors. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient.

Section 16. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Term of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify

whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to any limitations imposed by applicable law (and assuming the corporation is not subject to Section 2115 of the California General Corporation Law), the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors or (ii) without cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation, entitled to vote generally at an election of directors.

(b) During such time or times that the corporation is subject to Section 2115(b) of the California General Corporation Law, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal; provided, however, that unless the entire Board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

Section 21. Meetings

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, including a voice-messaging system or other system designated to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer (if a director), the President (if a director) or any two directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, postage prepaid at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall

be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Bylaw may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this

Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer (if a director), or if the Chief Executive Officer is not a director or is absent the President (if a director) or if the President is not a director or is absent, the most senior Vice President (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary directed to do so by the Chief Executive Officer or President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 27. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer, the Treasurer and the Controller, all of whom shall be elected at the annual organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 28. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any

time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in paragraph (c) of this Section 28.

(c) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairman of the Board of Directors has been appointed and is present. The Chief Executive Officer shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of President. In case of the absence or disability of the Chief Executive Officer or if the office of Chief Executive Officer is vacant, the President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairman of the Board of Directors has been appointed and is present. If the office of the Chief Executive Officer is vacant, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other

duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(g) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 29. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the Chief Executive Officer or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 32. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into

contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 34. Form and Execution of Certificates. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the Chief Executive Officer, the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 35. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 36. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 37. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a

meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 38. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 39. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 33), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however*, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 40. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 41. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 42. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 43. Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.

(a) Directors and Executive Officers. The corporation shall indemnify its directors and executive officers (for the purposes of this Article XI, "executive officers" shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) to the fullest extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further,* that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Other Officers, Employees and Other Agents. The corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the

determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding; *provided, however*, that, if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 42 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Bylaw, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation, in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of a quorum consisting of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this Bylaw to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive

officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise as a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL or any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL, or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law. If this Section 43 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(1) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(3) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a "director," "executive officer," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(5) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Bylaw.

ARTICLE XII

NOTICES

Section 44. Notices.

(a) Notice to Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for

purposes other than stockholder meetings may be sent by United States mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in Section 21 of these Bylaws. If such notice is not delivered personally, it shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 45. Amendments. The Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the corporation; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

RIGHT OF FIRST REFUSAL

Section 46. Right of First Refusal. No stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of common stock of the corporation (excluding any shares of common stock issued upon conversion of preferred stock of the corporation) or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer which meets the requirements hereinafter set forth in this bylaw:

(a) If the stockholder desires to sell or otherwise transfer any of his shares of common stock, then the stockholder shall first give written notice thereof to the corporation. The notice shall name the proposed transferee and state the number of shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer.

(b) For thirty (30) days following receipt of such notice, the corporation shall have the option to purchase all (but not less than all) of the shares specified in the notice at the price and upon the terms set forth in such notice; *provided, however*, that, with the consent of the stockholder, the corporation shall have the option to purchase a lesser portion of the shares specified in said notice at the price and upon the terms set forth therein. In the event of a gift, property settlement or other transfer in which the proposed transferee is not paying the full price for the shares, and that is not otherwise exempted from the provisions of this Section 46 the price shall be deemed to be the fair market value of the stock at such time as determined in good faith by the Board of Directors. In the event the corporation elects to purchase all of the shares or, with the consent of the stockholder, a lesser portion of the shares, it shall give written notice to the transferring stockholder of its election and settlement for said shares shall be made as provided below in paragraph (d).

(c) The corporation may assign its rights hereunder.

(d) In the event the corporation and/or its assignee(s) elect to acquire any of the shares of the transferring stockholder as specified in said transferring stockholder's notice, the Secretary of the corporation shall so notify the transferring stockholder and settlement thereof shall be made in cash within thirty (30) days after the Secretary of the corporation receives said transferring stockholder's notice; provided that if the terms of payment set forth in said transferring stockholder's notice were other than cash against delivery, the corporation and/or its assignee(s) shall pay for said shares on the same terms and conditions set forth in said transferring stockholder's notice.

(e) In the event the corporation and/or its assignees(s) do not elect to acquire all of the shares specified in the transferring stockholder's notice, said transferring stockholder may, within the sixty-day period following the expiration of the option rights granted to the corporation and/or its assignees(s) herein, transfer the shares specified in said transferring stockholder's notice which were not acquired by the corporation and/or its assignees(s) as specified in said transferring stockholder's notice. All shares so sold by said transferring stockholder shall continue to be subject to the provisions of this bylaw in the same manner as before said transfer.

(f) Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this bylaw:

(1) A stockholder's transfer of any or all shares held either during such stockholder's lifetime or on death by will or intestacy to such stockholder's immediate family or to any custodian or trustee for the account of such stockholder or such stockholder's immediate family or to any limited partnership of which the stockholder, members of such stockholder's immediate family or any trust for the account of such stockholder or such stockholder's immediate family will be the general of limited partner(s) of such partnership. "Immediate family" as used herein shall mean spouse, lineal descendant, father, mother, brother, or sister of the stockholder making such transfer.

(2) A stockholder's bona fide pledge or mortgage of any shares with a commercial lending institution, provided that any subsequent transfer of said shares by said institution shall be conducted in the manner set forth in this bylaw.

(3) A stockholder's transfer of any or all of such stockholder's shares to the corporation or to any other stockholder of the corporation.

(4) A stockholder's transfer of any or all of such stockholder's shares to a person who, at the time of such transfer, is an officer or director of the corporation.

(5) A corporate stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of shares or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder.

(6) A corporate stockholder's transfer of any or all of its shares to any or all of its stockholders.

(7) A transfer by a stockholder which is a limited or general partnership to any or all of its partners or former partners.

In any such case, the transferee, assignee, or other recipient shall receive and hold such stock subject to the provisions of this bylaw, and there shall be no further transfer of such stock except in accord with this bylaw.

(g) The provisions of this bylaw may be waived with respect to any transfer either by the corporation, upon duly authorized action of its Board of Directors, or by the

stockholders, upon the express written consent of the owners of a majority of the voting power of the corporation (excluding the votes represented by those shares to be transferred by the transferring stockholder). This bylaw may be amended or repealed either by a duly authorized action of the Board of Directors or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the corporation.

(h) Any sale or transfer, or purported sale or transfer, of securities of the corporation shall be null and void unless the terms, conditions, and provisions of this bylaw are strictly observed and followed.

(i) The foregoing right of first refusal shall terminate upon the date securities of the corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

(j) The certificates representing shares of stock of the corporation shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(S), AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

Notwithstanding the foregoing provisions of this Article XIV, to the extent that the right of first refusal set forth herein conflicts with a right of first refusal in any written agreement between the corporation and any stockholder of the corporation, then the right of first refusal set forth in such written agreement shall supersede the right of first refusal set forth herein, but only with respect to the specific stockholder(s), share(s) of stock and proposed transfer(s) to which the conflict relates.

ARTICLE XV

LOANS TO OFFICERS

Section 47. Loans to Officers. Except as otherwise prohibited under applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a Director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

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BYLAWS

OF

IEX GROUP, INC.
(A DELAWARE CORPORATION)
(ADOPTED _____, 2015)

BYLAWS

OF

IEX GROUP, INC.
(A DELAWARE CORPORATION)
(THE "CORPORATION")

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation in the State of Delaware shall be in the City of Dover, County of Kent.

Section 2. Other Offices. The Corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the Corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the Corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("***DGCL***").

Section 5. Annual Meeting.

(a) The annual meeting of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the Corporation's notice of meeting of stockholders; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the Corporation who was a

stockholder of record at the time of giving of notice provided for in the following paragraph, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5.

(b) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, (i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, (ii) such other business must be a proper matter for stockholder action under the DGCL, (iii) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the Corporation with a Solicitation Notice (as defined in this Section 5(b)), such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the Corporation's voting shares reasonably believed by such stockholder or beneficial owner to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice, and (iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section 5. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (A) as to each person whom the stockholder proposed to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and Rule 14a-4(d) thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, and (iii) whether either such stockholder or

beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of the proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent, a "***Solicitation Notice***").

(c) Notwithstanding anything in the second sentence of Section 5(b) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(d) Only such persons who are nominated in accordance with the procedures set forth in this Section 5 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 5. Except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

(e) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, stockholders must provide notice as required by the regulations promulgated under the 1934 Act. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation proxy statement pursuant to Rule 14a-8 under the 1934 Act.

(f) For purposes of this Section 5, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (iv) by the holders of shares entitled to cast not less than twenty percent (20%) of the votes at

the meeting, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by telegraphic or other facsimile transmission to the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary of the Corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than thirty-five (35) nor more than one hundred twenty (120) days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

Section 7. Notice of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject

matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the Corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the Corporation as provided in Section 228(c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the

Corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its registered office in the state of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the Corporation or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the board of directors of the Corporation. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

(b) The Board of Directors of the Corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors shall initially be four (4), such number to be changed from time to time by resolution of the Board of Directors. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient.

Section 16. Powers. The powers of the Corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Term of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office

for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to any limitations imposed by applicable law (and assuming the Corporation is not subject to Section 2115 of the California General Corporation Law), the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the Corporation entitled to vote generally at an election of directors or (ii) without cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the Corporation, entitled to vote generally at an election of directors.

(b) During such time or times that the Corporation is subject to Section 2115(b) of the California General Corporation Law, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal; provided, however, that unless the entire Board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

Section 21. Meetings

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, including a voice-messaging system or other system designated to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer (if a director), the President (if a director) or any two directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice

messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, postage prepaid at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the Corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Bylaw may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not

lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer (if a director), or if the Chief Executive Officer is not a director or is absent the President (if a director) or if the President is not a director or is absent, the most senior Vice President (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary directed to do so by the Chief Executive Officer or President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 27. Officers Designated. The officers of the Corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer, the Treasurer and the Controller, all of whom shall be elected at the annual organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 28. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the Corporation and shall have the powers and duties prescribed in paragraph (c) of this Section 28.

(c) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairman of the Board of Directors has been appointed and is present. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of President. In case of the absence or disability of the Chief Executive Officer or if the office of Chief Executive Officer is vacant, the President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairman of the Board of Directors has been appointed and is present. If the office of the Chief Executive Officer is vacant, the President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the Corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(g) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or

disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 29. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the Chief Executive Officer or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

Execution Of Corporate Instruments And Voting Of Securities Owned By The Corporation

Section 32. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the Corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33. Voting of Securities Owned by the Corporation.

(a) General Power to Vote. All stock and other securities of other corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President. Unless otherwise instructed by the Board of Directors, and subject to subparagraph (b) below and the Company's Certificate of Incorporation, the Chairman or the Chief Executive Officer of the Corporation shall have the power and authority on behalf of the Corporation to attend and to vote at any meeting of stockholders, partners or equity holders of any corporation, partnership or any other entity (including, but not limited to, Investors' Exchange LLC and IEX Services LLC) in which the Corporation may hold stock, partnership or other equity interests, as the case may be, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock, partnership or other equity interest at such meeting, and shall have the power and authority to execute and deliver proxies, waivers and consents on behalf of the Corporation in connection with the exercise by the Corporation of the rights and powers incident to the ownership of such stock, partnership or other equity interest. The Board of Directors may from time to time confer like powers upon any other person or persons.

(b) Meeting of LLC Members of Investors' Exchange LLC. At any meeting of the holders of LLC interests of Investors' Exchange LLC (the "***LLC Members***") held for the purpose of electing directors and members of the Member Nominating Committee of Investors' Exchange LLC (as set forth in the By-Laws of Investors' Exchange LLC, the "***Member Nominating Committee***"), or in the event written consents are solicited or otherwise sought from the LLC Members of Investors' Exchange LLC with respect thereto, the Corporation shall cause all outstanding membership interests of Investors' Exchange LLC owned by the Corporation and entitled to vote at such election to be voted in favor of only those Investors' Exchange LLC member representative directors and nominees for the Member Nominating Committee nominated in accordance with the By-Laws of Investors' Exchange LLC and, with respect to any such written consents, shall cause to be validly executed only such written consents electing only such directors and members of the Member Nominating Committee.

ARTICLE VII

SRO FUNCTION OF INVESTORS' EXCHANGE LLC

Section 34. Non-Interference. For so long as the Corporation shall control Investors' Exchange LLC, the directors, officers, employees and agents of the Corporation shall give due regard to the preservation of the independence of the self-regulatory function of the Investors' Exchange LLC and to its obligations to investors and the general public and shall not take any actions which would interfere with the effectuation of any decisions by the Board of Directors of the Investors' Exchange LLC relating to its regulatory functions (including disciplinary matters) or which would interfere with the ability of the Investors' Exchange LLC to carry out its responsibilities under the Act. No present or past stockholder, employee, beneficiary, agent, customer, creditor, regulatory authority (or member thereof) or other person or entity shall have

any rights against the Corporation or any director, officer, employee or agent of the Corporation under this Section 34.

Section 35. Confidentiality. All books and records of Investors' Exchange LLC reflecting confidential information pertaining to the self-regulatory function of Investors' Exchange LLC (including but not limited to disciplinary matters, trading data, trading practices and audit information) that shall come into the possession of the Corporation, and the information contained in those books and records, shall be retained in confidence by the Corporation and the members of the board of directors, officers, employees and agents of the Corporation and shall not be used for any non-regulatory purposes. Notwithstanding the foregoing sentence, nothing in these By-Laws shall be interpreted so as to limit or impede the rights of the Securities and Exchange Commission (the "***Commission***") or Investors' Exchange LLC to access and examine such confidential information pursuant to the federal securities laws and the rules and regulations thereunder, or to limit or impede the ability of any officers, directors, employees or agents of the Corporation to disclose such confidential information to the Commission or Investors' Exchange LLC.

Section 36. Books and Records. All books and records of the Corporation shall be maintained at a location within the United States. To the extent they are related to the activities of Investors' Exchange LLC, the books, records, premises, officers, directors, agents, and employees of the Corporation shall be deemed to be the books, records, premises, officers, directors, agents and employees of the Investors' Exchange LLC for the purposes of, and subject to oversight pursuant to, the Act. For so long as the Corporation shall control, directly or indirectly, Investors' Exchange LLC, the Corporation's books and records shall be subject at all times to inspection and copying by the Commission and Investors' Exchange LLC, provided that such books and records are related to the operation or administration of Investors' Exchange LLC.

Section 37. Cooperation with the Securities and Exchange Commission. The Corporation shall comply with the federal securities laws and the rules and regulations promulgated thereunder and shall cooperate with the Commission and Investors' Exchange LLC pursuant to and to the extent of their respective regulatory authority. The officers, directors, employees and agents of the Corporation, by virtue of their acceptance of such position, shall comply with the federal securities laws and the rules and regulations promulgated thereunder and shall be deemed to agree to cooperate with the Commission and Investors' Exchange LLC in respect of the Commission's oversight responsibilities regarding Investors' Exchange LLC and the self-regulatory functions and responsibilities of Investors' Exchange LLC, and the Corporation shall take reasonable steps necessary to cause its officers, directors, employees and agents to so cooperate. No present or past stockholder, employee, beneficiary, agent, customer, creditor, regulatory authority (or member thereof) or other person or entity shall have any rights against the Corporation or any director, officer, employee or agent of the Corporation under this. Section 37.

Section 38. Consent to Jurisdiction. The Corporation and its officers, directors, employees and agents, by virtue of their acceptance of such position, shall be deemed to irrevocably submit to the jurisdiction of the United States federal courts, Commission, and Investors' Exchange LLC, for the purposes of any suit, action or proceeding pursuant to the United States federal securities laws, and the rules or regulations thereunder, arising out of, or relating to, the activities of Investors' Exchange LLC, and by virtue of their acceptance of any such position,

shall be deemed to waive, and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claims that it or they are not personally subject to the jurisdiction of the United States federal courts, Commission or the Investors' Exchange LLC, that the suit, action or proceeding is an inconvenient forum or that the venue of the suit, action or proceeding is improper, or that the subject matter of that suit, action or proceeding may not be enforced in or by such courts or agency. The Corporation and its officers, directors, employees and agents also agree that they will maintain an agent, in the United States, for the service of process of a claim arising out of, or relating to, the activities of Investors' Exchange LLC

Section 39. Consent to Application. The Corporation shall take reasonable steps necessary to cause its officers, directors, employees and agents, prior to accepting a position as an officer, director, employee or agent, as applicable, of the Corporation to consent in writing to the applicability to them of this Article VII, as applicable, with respect to their activities related to the Investors' Exchange LLC.

ARTICLE VIII

SHARES OF STOCK

Section 40. Form and Execution of Certificates. Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors, or the Chief Executive Officer, the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the Corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 41. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the Corporation in such manner as it shall require or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 42. Transfers.

(a) Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 43. Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is

adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 44. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE IX

OTHER SECURITIES OF THE CORPORATION

Section 45. Execution of Other Securities. All bonds, debentures and other corporate securities of the Corporation, other than stock certificates (covered in Section 33), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

ARTICLE X

DIVIDENDS

Section 46. Declaration of Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 47. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE XI

FISCAL YEAR

Section 48. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XII

INDEMNIFICATION

Section 49. Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.

(a) Directors and Executive Officers. The Corporation shall indemnify its directors and executive officers (for the purposes of this Article XII, "executive officers" shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) to the fullest extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the Corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further,* that the Corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the Corporation, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Other Officers, Employees and Other Agents. The Corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The Corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer of the Corporation, or is or was serving at the request of the Corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request

therefor, all expenses incurred by any director or executive officer in connection with such proceeding; *provided, however,* that, if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 49 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Bylaw, no advance shall be made by the Corporation to an executive officer of the Corporation (except by reason of the fact that such executive officer is or was a director of the Corporation, in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of a quorum consisting of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and the director or executive officer. Any right to indemnification or advances granted by this Bylaw to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the Corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the Corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the Corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the Corporation) for advances, the Corporation shall be entitled to raise as a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable

standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL or any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL, or any other applicable law, the Corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the Corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law. If this Section 49 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the Corporation shall indemnify each director and executive officer to the full extent under applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(1) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(3) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a

consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a "director," "executive officer," "officer," "employee," or "agent" of the Corporation shall include, without limitation, situations where such person is serving at the request of the Corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(5) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Bylaw.

ARTICLE XIII

NOTICES

Section 50. Notices.

(a) Notice to Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by United States mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in Section 21 of these Bylaws. If such notice is not delivered personally, it shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and

addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the Corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the Corporation within 60 days of having been given notice by the Corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the Corporation.

ARTICLE XIV

AMENDMENTS

Section 51. Amendments. The Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the Corporation and the stockholders shall also have power to adopt, amend or repeal the Bylaws of the Corporation; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class; *provided, further*, *however,* that for so long as the Corporation shall control, directly or indirectly, Investors' Exchange LLC, before any amendment to or repeal of any provisions in this Bylaws shall be effective, those changes shall be submitted to the Board of Directors of Investors' Exchange for approval, and if approved, the proposed changes to these Bylaws shall not be effective until filed with or filed with and approved by the Commission, as the case may be.

ARTICLE XV

RIGHT OF FIRST REFUSAL

Section 52. Right of First Refusal. No stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of common stock of the Corporation (excluding any shares of common stock issued upon conversion of preferred stock of the Corporation) or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer which meets the requirements hereinafter set forth in this bylaw:

(a) If the stockholder desires to sell or otherwise transfer any of his shares of common stock, then the stockholder shall first give written notice thereof to the Corporation. The notice shall name the proposed transferee and state the number of shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer.

(b) For thirty (30) days following receipt of such notice, the Corporation shall have the option to purchase all (but not less than all) of the shares specified in the notice at the price and upon the terms set forth in such notice; *provided, however*, that, with the consent of the stockholder, the Corporation shall have the option to purchase a lesser portion of the shares specified in said notice at the price and upon the terms set forth therein. In the event of a gift, property settlement or other transfer in which the proposed transferee is not paying the full price for the shares, and that is not otherwise exempted from the provisions of this Section 52 the price shall be deemed to be the fair market value of the stock at such time as determined in good faith by the Board of Directors. In the event the Corporation elects to purchase all of the shares or, with the consent of the stockholder, a lesser portion of the shares, it shall give written notice to the transferring stockholder of its election and settlement for said shares shall be made as provided below in paragraph (d).

(c) The Corporation may assign its rights hereunder.

(d) In the event the Corporation and/or its assignee(s) elect to acquire any of the shares of the transferring stockholder as specified in said transferring stockholder's notice, the Secretary of the Corporation shall so notify the transferring stockholder and settlement thereof shall be made in cash within thirty (30) days after the Secretary of the Corporation receives said transferring stockholder's notice; provided that if the terms of payment set forth in said transferring stockholder's notice were other than cash against delivery, the Corporation and/or its assignee(s) shall pay for said shares on the same terms and conditions set forth in said transferring stockholder's notice.

(e) In the event the Corporation and/or its assignees(s) do not elect to acquire all of the shares specified in the transferring stockholder's notice, said transferring stockholder may, within the sixty-day period following the expiration of the option rights granted to the Corporation and/or its assignees(s) herein, transfer the shares specified in said transferring stockholder's notice which were not acquired by the Corporation and/or its assignees(s) as specified in said transferring stockholder's notice. All shares so sold by said transferring stockholder shall continue to be subject to the provisions of this bylaw in the same manner as before said transfer.

(f) Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this bylaw:

(1) A stockholder's transfer of any or all shares held either during such stockholder's lifetime or on death by will or intestacy to such stockholder's immediate family or to any custodian or trustee for the account of such stockholder or such stockholder's immediate family or to any limited partnership of which the stockholder, members of such stockholder's immediate family or any trust for the account of such stockholder or such stockholder's immediate family will be the general of limited partner(s) of such partnership. "Immediate family" as used herein shall mean spouse, lineal descendant, father, mother, brother, or sister of the stockholder making such transfer.

(2) A stockholder's bona fide pledge or mortgage of any shares with a commercial lending institution, provided that any subsequent transfer of said shares by said institution shall be conducted in the manner set forth in this bylaw.

(3) A stockholder's transfer of any or all of such stockholder's shares to the Corporation or to any other stockholder of the Corporation.

(4) A stockholder's transfer of any or all of such stockholder's shares to a person who, at the time of such transfer, is an officer or director of the Corporation.

(5) A corporate stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of shares or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder.

(6) A corporate stockholder's transfer of any or all of its shares to any or all of its stockholders.

(7) A transfer by a stockholder which is a limited or general partnership to any or all of its partners or former partners.

In any such case, the transferee, assignee, or other recipient shall receive and hold such stock subject to the provisions of this bylaw, and there shall be no further transfer of such stock except in accord with this bylaw.

(g) Subject to the restrictions of Section 51 of these Bylaws, amendments and waivers pursuant to the provisions of this bylaw may be made with respect to any transfer either by the Corporation, upon duly authorized action of its Board of Directors, or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation (excluding the votes represented by those shares to be transferred by the transferring stockholder).

(h) Any sale or transfer, or purported sale or transfer, of securities of the Corporation shall be null and void unless the terms, conditions, and provisions of this bylaw are strictly observed and followed.

(i) The foregoing right of first refusal shall terminate upon the date securities of the Corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

(j) The certificates representing shares of stock of the Corporation shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(S), AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

Notwithstanding the foregoing provisions of this Article XV, to the extent that the right of first refusal set forth herein conflicts with a right of first refusal in any written agreement between the Corporation and any stockholder of the Corporation, then the right of first refusal set forth in such written agreement shall supersede the right of first refusal set forth herein, but only with respect to the specific stockholder(s), share(s) of stock and proposed transfer(s) to which the conflict relates.

ARTICLE XVI

LOANS TO OFFICERS

Section 53. Loans to Officers. Except as otherwise prohibited under applicable law, the Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiaries, including any officer or employee who is a Director of the Corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the Corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

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Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "IEX SERVICES LLC", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF JANUARY, A.D. 2013, AT 11:38 O'CLOCK A.M.

Jeffrey W. Bullock, Secretary of State

5277479 8100

AUTHENTICATION: 0157994

130072990

DATE: 01-22-13

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:41 AM 01/22/2013
FILED 11:38 AM 01/22/2013
SRV 130072990 - 5277479 FILE

CERTIFICATE OF FORMATION

OF

IEX SERVICES LLC

This Certificate of Formation of **IEX Services LLC** dated as of January 22, 2013, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act.

FIRST: The name of the limited liability company formed hereby is IEX Services LLC (hereinafter referred to as the "Company").

SECOND: The address of the registered office of the Company in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808 (County of New Castle) and the name and address of the registered agent for service of process on the Company in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808 (County of New Castle).

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

/s/Jill Simon-Reisman
Jill Simon-Reisman,
Authorized Person

SECOND AMENDED AND RESTATED OPERATING AGREEMENT
OF
IEX SERVICES LLC

This Second Amended and Restated Operating Agreement (this "**Agreement**") of IEX Services LLC (the "**Company**"), is made effective as of May 13, 2014, by IEX Group, Inc., a Delaware Corporation (the "**Member**"). This Agreement amends and restates the Company's operating agreement dated January 22, 2013 (the "**Original Agreement**"), as amended on May 15, 2013 and as amended and restated on August 5, 2013.

1. **Name.** The name of the Company is "IEX Services LLC".

2. **Formation; Term.** On January 22, 2013, the Company was organized as a Delaware limited liability company upon the filing of the Company's Certificate of Formation with the Secretary of State of the State of Delaware. The term of the Company shall be perpetual, unless sooner terminated as hereinafter provided.

3. **Purpose.** The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Limited Liability Company Act, as amended from time to time (the "**Act**").

4. **Powers.** In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Company shall have the power and is hereby authorized to do all things and engage in all such activities as may be necessary, convenient or incidental to the conduct of the business of the Company, and have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

5. **Registered Agent; Registered Office.** The address of the registered office of the limited liability company is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, and the name of the registered agent of the Company in the State of Delaware at such address is Corporation Service Company. The Member may, upon compliance with the applicable provisions of the Act, change the Company's resident office or resident agent from time to time, all as determined by the Member.

6. **Authorized Person.** Ms. Jill Simon was designated as an organizer of the Company, and executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. The authority of Ms. Simon, as organizer, to execute, deliver and file the Certificate of Formation is hereby confirmed and such filing is hereby ratified and approved. Upon such filing of the Certificate of Formation, Ms. Simon's powers as organizer ceased.

7. **Limited Liability.** Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Member, nor its

partners, members, directors, shareholders, employees, officers or agents, shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of the Member being a member of the Company.

8. **Management.** All power to manage, bind and act on behalf of, the Company shall be vested in the managers ("**Managers**"). The initial Managers and officers of the Company shall be as set forth on **Exhibit A** hereto. No action on behalf of the Company may be taken without the prior approval of the Managers. However, the Managers may delegate power to sign legal documents on behalf of the Company to any officer, provided that the Manager may also sign on behalf of the Company if he so chooses. The Member may appoint, remove and replace any Manager, officers and employees of the Company from time to time in its sole and absolute discretion. In addition, a majority of the Managers may appoint or remove officers and employees of the Company from time to time, in their sole discretion. Unless the Member decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Member in writing.

9. **Member; Capital Contributions.** IEX Group, Inc., a Delaware corporation, is hereby admitted as the sole "member" of the Company. The Member shall make the initial capital contribution to the Company set forth on the Schedule of Members set forth on **Exhibit B** hereto. Membership interests in the Company shall be expressed in percentages. The capital contributions that the Member makes to the Company from time to time shall be properly reflected on the books and records of the Company and **Exhibit B** hereto. The Member may make capital contributions to the Company in the form of cash, securities, intellectual property or any other assets (including intangible assets) as the Member may, in its complete and sole discretion, determine from time to time. The Member will not be required to make any additional capital contributions.

10. **Tax Classification.** The Member intends that the Company shall be treated as a "disregarded entity" within the meaning of Treasury Regulations Section 301.7701-2(c)(2) for federal and applicable state income tax purposes and will file its tax returns consistent with such treatment.

11. **Ownership of Company Property.** All assets owned by the Company shall be owned by the Company as an entity, and held in the name of the Company. The Member shall not hold any ownership interest in any Company property in its own name or right.

12. **Distributions.** Subject to applicable law, the Member may elect from time to time to make distributions of cash or other assets. Except as required by law, the Member shall not be obligated to restore or repay to the Company all or any part of a distribution made to it under the terms of this Agreement.

13. **Transfer of Rights.** The Member may transfer all or any portion of its interest in the Company in the Member's sole and absolute discretion. In the event of any such

transfer, this Agreement shall be amended to reflect the respective rights and obligations of the Member and the transferee or transferees.

14. Indemnification.

(a) The Company shall indemnify and hold harmless to the fullest extent permitted by the laws of the State of Delaware, as if the Company were a corporation incorporated under the laws of the State of Delaware, the Member, any Manager, officer and any affiliate thereof (individually, in each case, an "**Indemnitee**"), from and against any and all claims, demands, liabilities, costs damages, expenses, fines, settlements and causes of action of any nature whatsoever ("**Losses**") arising out of or incidental to the business, activities or operations of, or relating to, the Company, regardless of whether the Indemnitee continues to be a Member, Manager, officer or affiliate thereof at the time any such liability or expense is paid or incurred; *provided, however*, that no Member, Manager, officer or affiliate may be indemnified by the Company from and against any Losses which result from the gross negligence or willful misconduct of such person.

(b) The indemnification provided by this Section 14 shall be in addition to any other rights to which an Indemnitee may be entitled under any other agreement, by vote of the Member, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, Manager, officer or affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

15. Admission of Additional Members. One or more additional members of the Company may be admitted to the Company with the written consent of the member. If the Company subsequently has more than one member, then all references in this Agreement to the singular "Member" will refer to all of the members of the Company, and any matter requiring the consent of the "Member" under this Agreement will require the consent of a majority in interest of the members.

16. Withdrawal. A Member may withdraw from the Company. If a Member withdraws from the Company and there are no other members of the Company at the time, a new Member shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. The admission of the new Member shall be deemed effective concurrent with the withdrawal of the sole remaining Member.

17. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any dissolution event set forth in this Agreement, as the same may be amended from time to time, (ii) the written consent of the Member, (iii) the withdrawal or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business

of the Company is continued in a manner permitted by the Act, or (iv) the entry of a decree of judicial dissolution under the Act.

(b) The bankruptcy of the Member will not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Member shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, provided under the Act and applicable law.

18. Severability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement.

20. Entire Agreement. Except as expressly set forth in this Agreement, this Agreement constitutes the entire agreement with respect to the subject matter hereof, and supersedes and replaces any other written or oral agreement relating to the subject matter hereof, including any prior operating agreement of the Company.

21. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

22. Amendments. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of the Member.

23. No Third-Party Beneficiary. Any agreement to pay any amount and any assumption of liability in this Agreement contained, express or implied, shall be only for the benefit of the Member and his respective heirs, successors, and permitted assigns, and such agreements and assumptions shall not inure to the benefit of the obligees of any indebtedness of any other party, whomsoever, deemed to be a third-party beneficiary of this Agreement.

24. Withdrawal of Capital. Notwithstanding any provision to the contrary contained herein, without the prior written approval of the New York Stock Exchange LLC (the "**Exchange**"), the capital contribution of any member may not be withdrawn on less than six months written notice, given no sooner than six months after such contribution was first made. Such capital contribution may not be withdrawn nor may any unsecured loan or advance be made by the firm to a partner or employee at any time when such withdrawal, loan or advance would be prohibited by the provisions of any rule or regulation of the Exchange or the Securities

and Exchange Commission (the **"SEC"**) to which the firm is subject, including, without limitation, the provisions of SEC Rule 15c3-1.

25. **Distribution Restriction.** No distribution shall be declared or paid which shall impair the capital of the Company nor shall any distribution of assets be made to any member unless the value of the assets of the Company remaining after such payment or distribution is at least equal to the aggregate of its debts and liabilities, including capital.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Member has executed this Agreement as of the date first above written.

MEMBER:.

IEX Group, Inc.

Name: Bradley Katsuyama
Title: Chief Executive Officer

EXHIBIT A

Managers: Bradley Katsuyama and John Schwall

Officers:

Bradley Katsuyama - President
John Schwall - Vice President and Treasurer
Sophia Lee – General Counsel and Secretary

EXHIBIT B

SCHEDULE OF MEMBERS

Name	Capital Contribution	Membership Interest
IEX Group, Inc.	$1.00	100%

DUPLICATE FOR THE FILE

NI30731

CERTIFICATE OF INCORPORATION ON RE-REGISTRATION
as a PUBLIC COMPANY

I HEREBY CERTIFY that

FIRST DERIVATIVES PUBLIC LIMITED COMPANY

has this day been re-registered under the Companies (Northern Ireland) Order 1986 as a public company; and that the company is limited.

Given under my hand at Belfast, this THIRTY-FIRST day of JANUARY Two thousand and Two

Carolyn Crowe

Assistant Registrar of Companies for
Northern Ireland

Certificate
Received by Maura McGuire.

Date 31/1/02

DUPLICATE FOR THE FILE

NI30731

I HEREBY CERTIFY that

FIRST DERIVATIVES LIMITED

is this day incorporated under the Companies (Northern Ireland) Order 1986; and that the Company is limited

Given under my hand at Belfast, this SIXTEENTH day of APRIL One Thousand Nine Hundred and NINETY-SIX

J. Boyd.

Assistant Registrar of Companies for Northern Ireland

Certificate received by Rosemary S. B

Date 23-4-96.

CERTIFICATE OF UPDATING

THIS IS TO CERTIFY THAT THIS IS AN UPDATED COPY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF

FIRST DERIVATIVES PLC

FROM THE 1ST of OCTOBER 2009

SIGNED .....
Company Secretary

THE COMPANIES (NORTHERN IRELAND) ORDER 1986
& THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

FIRST DERIVATIVES PUBLIC LIMITED COMPANY

MILLS SELIG
SOLICITORS
21 ARTHUR STREET
BELFAST
BT1 4GA
TEL 028 90243878
FAX 028 90231956
REF RF/CL

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No. NI 30731

THE COMPANIES (NORTHERN IRELAND) ORDER 1986
& THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

FIRST DERIVATIVES PUBLIC LIMITED COMPANY

PRELIMINARY

1. **Exclusion of Constitutional Regulations**

No constitutional regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute concerning companies shall apply as the regulations or articles of the Company except in so far as they are repeated or contained in these Articles.

2. **Definitions**

In these Articles, unless the context otherwise requires:-

"Act" means the Companies Act 2006;

"address" includes a number or address used for sending or receiving documents or information by electronic means;

"Articles" means these Articles of Association as altered from time to time;

"Auditors" means the Auditors for the time being of the Company;

"clear days' notice" means that the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given or on which it is to take effect;

"Directors" means the Directors for the time being of the Company, or, as the case may be, the Board of Directors for the time being of the Company or the persons present at a duly convened meeting of the Board of Directors or any duly authorised committee thereof at which a quorum is present;

"dividend" includes bonus;

"Members" means the holders of share capital of the Company and "**Member**" shall be construed accordingly;

"month" means calendar month;

"Office" means the registered office for the time being of the Company;

"Order" means the Companies (Northern Ireland) Order 1986;

"paid up" includes credited as paid up;

"Register" means the Register of Members of the Company required to be kept by the Statutes;

"Secretary" includes a joint, deputy or assistant secretary, and any person appointed by the Directors to perform the duties of the Secretary of the Company;

"Statutes" means the Act, the Order and every other statute or subordinate legislation for the time being in force concerning companies and affecting the Company including every amendment or re-enactment (with or without amendment) thereof for the time being in force;

"uncertificated securities rules" means any provision of the Statutes relating to the holding, evidence of title to or transfer of uncertificated shares and any legislation, rules or arrangements made under or by virtue of such provision;

"uncertificated shares" means a share in the capital of the Company title to which is recorded on the Register as being held in uncertificated form;

"United Kingdom" means Great Britain and Northern Ireland;

"in writing" and **"written"** includes printing, lithography, typewriting, photography and other modes of representing or reproducing words in visible and non-transitory form whether sent or supplied in electronic form or otherwise.

Any references to a document being "signed" or to "signature" include reference to it being executed under hand or seal or by any other method and, in the case of a communication in electronic form, such references are to it being authenticated as specified in the Statutes.

Words importing the singular number only shall include the plural, and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing individuals and words importing persons shall include bodies corporate and unincorporated associations.

Any reference herein to the provisions of any Act or of any subordinate legislation shall include any amendment or re-enactment (with or without amendment) thereof for the time being in force.

Subject as aforesaid, and unless the context otherwise requires, words and expressions defined in the Statutes shall bear the same meanings in these Articles save the word company includes any body corporate.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

LIABILITY OF MEMBERS

3. The liability of the Members is limited to the amount, if any, unpaid on the shares held by them.

SHARES

4. **Rights attaching to shares**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such rights (including preferred, deferred or other special rights) or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine).

5. **Redemption and purchase of shares**

Subject to the provisions of the Statutesany shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or theMember, and the directors may determine the terms, conditions and manner of redemption of any such shares.

6. **Financial assistance**

The Company shall not give any financial assistance for the acquisition of shares in the Company except and in so far as permitted by the Statutes.

7. **Allotment at discount**

The shares of the Company shall not be allotted at a discount and save as permitted by the Statutes shall not be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium thereon.

8. **Payment of commission**

The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares

or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

9. **Unissued shares**

The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

10. **Recognition of trusts**

Except as required by law or pursuant to the provisions of these Articles, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

11. **Uncertificated Shares**

11.1 Unless otherwise determined by the Directors and permitted by the uncertificated securities rules, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the uncertificated securities rules. The Directors shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of an uncertificated share (subject always to the uncertificated securities rules and the facilities and requirements of the relevant system concerned).

11.2 Conversion of a certificated share into an uncertificated share, and vice versa, may be made in such manner as the Directors may, in their absolute discretion,

think fit (subject always to the uncertificated securities rules and the facilities and requirements of the relevant system concerned).

11.3 The Company shall enter on the register of Members how many shares are held by each Member in uncertificated form and in certificated form and shall maintain the register in each case as required by the uncertificated securities rules and the relevant system concerned. Unless the Directors otherwise determine, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.

11.4 A class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the uncertificated securities rules which apply only in respect of certificated or uncertificated shares.

11.5 If:

(a) the Articles give the Directors power to take action, or require other persons to take action in order to sell, transfer or otherwise dispose of shares; and

(b) Uncertificates shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

the Directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.

11.6 The provisions of Articles 12 to 16 inclusive shall not apply to uncertificated shares.

12. **Share certificates**

Every share certificate shall specify the number and class and the distinguishing number (if any) of the shares to which it relates and the amount paid up thereon. No certificate shall be issued relating to shares of more than one class.

13. **Right to share certificates**

Subject to Article 11, every person (other than a recognised clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000) in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) upon becoming the holder of a certificated share and whose name is entered as a Member on the Register shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the certificated shares registered in his name or, in the case of shares of more than one class being registered in his name, a separate certificate for each class of certificated share so registered, and where a Member (except such a clearing house or nominee) transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of certificated shares of that class retained by him. If a Member shall require additional certificates he shall pay for each additional certificate such reasonable sum (if any) as the Directors may determine.

14. **Share certificate of joint holders**

In respect of certificated shares of one class held jointly by more than one person the Company shall not be bound to issue more than one certificate, and delivery of a certificate for such shares to one of the joint holders of such shares shall be sufficient delivery to all such holders.

15. **Replacement of share certificates**

If any certificate be defaced then upon delivery thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be worn out, lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such worn out, lost or destroyed certificate.

16. **Payment for share certificates**

Every certificate issued under the last preceding Article shall be issued without payment, but there shall be paid to the Company such exceptional out-of-pocket expenses of the Company in connection with the request (including, without limiting the generality of the foregoing, the investigation of such request and the preparation and execution of any such indemnity or security) as the Directors think fit.

VARIATION OF RIGHTS

17. **Variation of class rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the provisions of the Statutes, whether or not the Company is being wound up, be modified, abrogated or varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class to which the provisions of section 334 of the Act shall apply (but not otherwise).

18. **Issues of further shares**

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by (a) the creation or issue of further shares ranking pari passu therewith or (b) the purchase or redemption by the Company of any of its own shares in accordance with the Statutes and these Articles.

CALLS ON SHARES

19. **Calls**

The Directors may, subject to the terms of allotment thereof, from time to time make such calls upon the Members as they think fit in respect of any moneys

unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each Member shall (subject to the Company serving on him at least 14 days' notice specifying the time or times and method of payment) pay to the Company at the time or times and method so specified the amount called on his shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

20. **Payment on calls**

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.

21. **Liability of joint holders**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

22. **Interest due on non-payment**

If a sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person from whom it is due shall pay interest on the sum at such rate, not exceeding the Bank of England base lending rate by more than 5 per cent. per annum, as the Directors may determine from the day appointed for the payment thereof until the actual payment thereof, and all expenses that may have been incurred by the Company by reason of such non-payment; but the Directors may, if they shall think fit, waive the payment of such interest and expenses or any part thereof.

23. **Non-payment of calls**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise

shall apply as if such sum had become payable by virtue of a call duly made and notified.

24. **Power to differentiate**

The Directors may, on the issue of shares, make arrangements for a difference between the holders of such shares in the amounts of calls to be paid and in the times of payment of such calls.

25. **Payment of calls in advance**

The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys, whether on account of the nominal value of the shares or by way of premium, uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so paid in advance the Directors may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company in General Meeting shall otherwise direct) the Bank of England base lending rate by more than 5 per cent. per annum, as may be agreed upon between the Directors and the Member paying such moneys in advance. The Directors may at any time on giving not less than three months' notice in writing to such Member repay to him the amount by which any such advance exceeds the amount actually called upon the shares.

FORFEITURE AND LIEN

26. **Notice if call or instalment not paid**

If any Member fails to pay any call or instalment in full on or before the day appointed for payment thereof, the Directors may, at any time thereafter, serve a notice on him, or on a person entitled by transmission to the shares in respect of which the call was made, requiring him to pay so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

27. **Form of notice**

The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where,

such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call or instalment is payable will be liable to be forfeited.

28. **Forfeiture for non-compliance**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall extend to all dividends declared and other moneys payable in respect of the shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Directors. The Directors may accept a surrender of any share liable to be forfeited hereunder upon such terms and conditions as they think fit.

29. **Notice after forfeiture**

When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share, or any person entitled to the share by transmission, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the Register, but no forfeiture or surrender shall be invalidated by any failure to give such notice or make such entry as aforesaid.

30. **Disposal of forfeited shares**

A share so forfeited or surrendered shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person in such manner, either subject to or discharged from all calls made or instalments due prior to the forfeiture or surrender, as the Directors think fit: Provided that the Company shall not exercise any voting rights in respect of such share and any such share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture or surrender shall thereupon be cancelled in accordance with the provisions of the Statutes. For the purpose of giving effect to any such sale or other disposition the Directors may authorise some person to transfer the share so sold or otherwise disposed of to, or in

accordance with the directions of, the purchaser thereof or other person becoming entitled thereto.

31. **Annulment of forfeiture**

The Directors may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.

32. **Continuing liability**

Any person whose shares have been forfeited or surrendered shall cease to be a Member in respect of those shares and shall surrender to the Company for cancellation the certificate for the forfeited or surrendered shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were presently payable by him to the Company in respect of the shares, together with interest thereon at such rate, not exceeding the Bank of England base lending rate by more than 5 per cent. per annum, as the Directors may determine from the time of forfeiture or surrender until the time of payment, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares, together with interest as aforesaid. The Directors may, if they shall think fit, waive the payment of such interest or any part thereof. The Company may enforce payment of such moneys without being under any obligation to make any allowance for the value of the shares forfeited or surrendered or for any consideration received on their disposal.

33. **Lien on shares not fully paid**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share; but the Directors may at any time waive any lien which has arisen and may declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all amounts payable in respect of it.

34. **Enforcement of lien by sale**

The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, (i) stating, and demanding payment of, the sum presently payable, and (ii) giving notice of intention to sell in default of such payment, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

35. **Application of sale proceeds**

The net proceeds of such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

36. **Statutory declaration**

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration, shall be conclusive evidence of the facts stated therein against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with, in the case of certificated shares, the share certificate delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

37. **Uncertificated Shares**

All transfers of uncertificated shares shall be made in accordance with and be subject to the provisions of the uncertificated securities rules and the facilities and requirements of the relevant system and, subject thereto, in accordance with any arrangements made by the Directors pursuant to Article 11.1.

38. **Execution of transfer**

The instrument of transfer of any certificated share in the Company shall be signed by or on behalf of the transferor (and, in the case of a share which is not fully paid, shall be signed by or on behalf of the transferee). In relation to the transfer of any share (whether a certificated or an uncertificated share) the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

39. **Form of transfer**

All transfers of certified shares shall be effected by an instrument in writing in any usual or common form or any other form which the Directors may approve.

40. **Right to decline registration**

The Directors may, in their absolute discretion, refuse to register any transfer of any share which is not a fully paid share (whether certificated or uncertificated) provided that, where any such shares are admitted to a recognised investment exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of the relevant class or classes from taking place on an open or proper basis. The Directors may likewise refuse to register any transfer of a share (whether certificated or uncertificated), whether fully paid or not, in favour of more than four persons jointly.

41. **Further rights to decline registration**

In relation to a certificated share, the Directors may decline to recognise any instrument of transfer unless:-

41.1 the instrument of transfer, duly stamped (if required) is left at the Office, or at such other place as the Directors may from time to time determine, accompanied by the certificate(s) of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

41.2 the instrument of transfer is in respect of only one class of share.

42. **Notice of refusal**

If the Directors refuse to register a transfer they shall, in the case of certificated shares, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer or, in the case of uncertificated shares, notify such person as may be required by the uncertificated securities rules and requirements of the relevant system concerned. Such notice shall give reasons for the decision to refuse the registration. All instruments of transfer which are registered may be retained by the Company.

43. **No fee for registration**

No fee shall be charged by the Company on the registration of any instrument of transfer, probate, letters of administration, certificate of death or marriage, power of attorney, stop notice or other document or instruction relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

44. **Destruction of documents**

The Company shall be entitled to destroy:-

44.1 any instrument of transfer (which phrase, together with references to documents, shall for the purposes of this Article 44 include electronically generated or stored communications in relation to the transfer of uncertificated shares and any electronic or tangible copies of the same) or other document which has been registered, or on the basis of which registration was made, at any time after the expiration of six years from the date of registration thereof;

44.2 any dividend mandate or any variation or cancellation thereof or any notification of change of address, at any time after the expiration of two years from the date of recording thereof; and

44.3 any share certificate which has been cancelled, at any time after the expiration of one year from the date of such cancellation,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company: Provided always that:-

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim (regardless of the parties thereto);

(b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and

(c) references in this Article to instruments of transfer shall include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system concerned relating to the transfer of such shares;

(d) references in this Article to the destruction of any document include references to its disposal in any manner;

(e) in relation to uncertificated shares, the provisions of this Article shall apply only to the extent the same are consistent with the uncertificated securities rules.

TRANSMISSION OF SHARES

45. **Transmission on death**

In case of the death of a Member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share which had been solely or jointly held by him.

46. **Person entitled by transmission**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the Member registered as the holder of any such share before his death or bankruptcy or other event, as the case may be.

47. **Restrictions on election**

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member or other event had not occurred and the notice or transfer were a transfer signed by the Member registered as the holder of any such share.

48. **Right of persons entitled by transmission**

A person becoming entitled to a share by reason of the death or bankruptcy of the holder or otherwise by operation of law shall, upon supplying to the Company such evidence as the Directors may reasonably require to show his

title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company (including meetings of the holders of any class of shares in the Company): Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and, if the notice is not complied with within 60 days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

UNTRACED SHAREHOLDERS

49. **Power to sell**

The Company shall be entitled to sell, at the best price reasonably obtainable at the time of sale, any share of a Member or any share to which a person is entitled by transmission if and provided that:-

49.1 for a period of 12 years no cheque, warrant or order sent by the Company in the manner authorised by these Articles in respect of the share in question has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission; provided that, in such period of 12 years, at least three dividends whether interim or final on or in respect of the share in question have become payable and no such dividend during that period has been claimed; and

49.2 the Company has, on or after expiration of the said period of 12 years, by advertisement in both a national newspaper and a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected in the manner authorised in accordance with the provisions of these Articles is located, given notice of its intention to sell such share (but so that such advertisements need not refer to the names of the holder(s) of the share or identify the share in question); and

49.3 the Company has not, during the further period of three months after the publication of such advertisements and prior to the exercise of the power of

sale, received any communication from the Member or person entitled by transmission; and

49.4 if the shares are listed or dealt in on a recognised investment exchange, the Company has given notice in writing to such exchange of its intention to sell such share.

50. **Power to sell further shares**

If, during any 12 year period or three month period referred to in paragraphs 49.1 and 49.3 of the preceding Article, further shares have been issued in respect of those held at the beginning of such 12 year period or of any previously issued during such periods and all the other requirements of such Article have been satisfied in respect of the further shares, the Company may also sell such further shares.

51. **Authority to effect sale**

To give effect to any sale pursuant to the previous two Articles, the Directors may authorise any person to execute as transferor an instrument of transfer of the said share and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share. The transferee shall not be bound to see to the application of the purchase moneys and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company (if any)) as the Directors may from time to time think fit.

52. **Prescription**

If either (i) on two consecutive occasions cheques, warrants or orders in payment of dividends or other moneys payable in respect of any share have

been sent through the post or otherwise in accordance with the provisions of these Articles but have been returned undelivered or left uncashed during the periods for which the same are valid or any transfer by bank or other funds transfer system has not been satisfied; or (ii) following one such occasion reasonable enquiries have failed to establish any new address of the registered holder; the Company need not thereafter despatch further cheques, warrants or orders and need not thereafter transfer any sum (as the case may be) in payment of dividends or other moneys payable in respect of the share in question until the Member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Office an address for the purpose.

ALTERATION OF CAPITAL

53. Consolidation, sub-division and cancellation

The Company may by Ordinary Resolution:-

53.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

53.2 sub-divide its existing shares, or any of them, into shares of smaller amount, provided that:-

(a) in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(b) the resolution whereby any share is sub-divided may determine that as between the resulting shares one or more of such shares may be given any preference or advantage or be subject to any restriction as regards dividend, capital, voting or otherwise over the others or any other of such shares.

54. Fractions

Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or division of shares Members of the Company are entitled to any issued shares of the Company in fractions, the Directors may

deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sales thereof. For the purpose of giving effect to any such sale the Directors may, in respect of certificated shares, nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to or, in respect of uncertificated shares, nominate any person to transfer such shares in accordance with the facilities and requirements of the relevant system concerned or, in either case, in accordance with the directions of the purchaser thereof and may cause the name of the transferee(s) to be entered in the Register as the holder(s) of the shares comprised in any such transfer, and such transferee(s) shall not be bound to see to the application of the purchase money nor shall such transferee(s) title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. For the purposes of this Article, any shares representing fractional entitlements to which any Member would, but for this Article, become entitled may be issued in certificated form or uncertificated form.

55. **Reduction of capital**

Subject to the provisions of the Statutes, the Company may by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

NOTICE OF GENERAL MEETINGS

56. **Omission or non-receipt of notice**

56.1 The accidental omission to give notice of a meeting, or to send or supply any document, including a form of proxy, with a notice where required by these Articles, to any person entitled to receive notice, or the non-receipt of notice of a meeting or document or any information by any such person, shall not invalidate the proceedings at that meeting.

56.2 A Member present in person or by proxy at a meeting shall be deemed to have received proper notice of that meeting and, where applicable, of the purpose of that meeting.

57. **Postponement of general meetings**

If the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting, they may postpone the General Meeting to another date, time and/or place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. The directors can also move or postpone the rearranged meeting (or do both) under this Article. Notice of the business to be transacted at such postponed meeting shall not be required.

PROCEEDINGS AT GENERAL MEETINGS

58. **Ordinary and special business**

All business shall be deemed special that is transacted at a General Meeting and also all that is transacted at an Annual General Meeting with the exception of:-

58.1 receiving, considering, laying before the Company or adopting the accounts and balance sheets and the reports of the Directors and Auditors;

58.2 declaring a dividend;

58.3 electing Directors appointed by the Board pursuant to the provisions of Article 107 or re-electing Directors retiring by rotation pursuant to the provisions of Article 101;

58.4 appointing the Auditors;

58.5 settling the remuneration of the Directors and Auditors or determining the manner in which the remuneration is to be settled;

58.6 authorising the Board under the provisions of sub-section (1) of article 90 of the Order or, from 1 October 2009, section 551 of the Act, to issue shares in the company or grant rights to subscribe for or to convert any security into shares of the Company whether by the passing of a resolution conferring specific or general authority or by amending these Articles; and

58.7 giving the Board power under the provisions of sub-section (1) of article 105 of the Order, or from 1 October 2009 section 570(1) of the Act, to allot equity securities (as defined in sub-section (2) of article 104 of the Order or, from 1 October 2009, section 560 of the Act) for a consideration comprised wholly in cash as if sub-section (1) of article 99 of the Order or, from 1 October 2009, section 561(1) of the Act did not apply whether by the passing of a resolution or by amending these Articles.

PROVIDED THAT where any resolution pursuant to sub-paragraphs 58.5 and 58.6 above is proposed to be considered by the Members at an Annual General Meeting the full text of such resolution shall be set out in the notice convening the relevant Annual General Meeting.

59. **Quorum**

No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business; save as herein otherwise provided, two Members present in person or by proxy and entitled to vote shall be a quorum. The appointment of a Chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

60. **Procedure if quorum not present**

If within five minutes (or such longer time as the Chairman may decide) from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than 14 days nor more than 28 days later) and place as the Chairman shall appoint. If at such adjourned meeting a quorum be not present within five minutes from the time appointed therefor, the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for want of a quorum, and the notice shall state that the Member or Members present as aforesaid shall form a quorum and shall have the power aforesaid.

61. **Arrangements for simultaneous attendance**

61.1 In the case of any General Meeting, the Directors may, notwithstanding the specification in the notice convening the General Meeting (the "Principal Place") at which the chairman of the meeting shall preside, make arrangements for simultaneous attendance and participation at other places by Members and proxies entitled to attend the General Meeting but excluded from the Principal Place under the provisions of this Article 61.

61.2 Such arrangements for simultaneous attendance at the General Meeting may include arrangements regarding the level of attendance at the other places provided that they shall operate so that any Members and proxies excluded from attendance at the Principal Place are able to attend at one of the other places. For the purpose of all other provisions of these Articles any such General Meeting shall be treated as being held and taking place at the Principal Place.

61.3 The Directors may, for the purpose of facilitating the organisation and administration of any General Meeting to which such arrangements apply, from time to time make arrangements, whether involving the issue of tickets (on a basis intended to afford to all Members and proxies entitled to attend the meeting an equal opportunity of being admitted to the Principal Place) or the imposition of some random means of selection or otherwise as they shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in their place and the entitlement of any Member or proxy to attend a General Meeting at the Principal Place shall be subject to such arrangements as may for the time being in force whether stated in the notes of the General Meeting to apply to that Meeting or notified to the Members concerned subsequent to the provision of the notice of the General Meeting. The notice of the General Meeting does not have to give details of the arrangements under this Article.

62. **Security arrangements**

The Directors or the Chairman of the meeting or any person authorised by the Directors may direct that Members or proxies wishing to attend any General Meeting should submit to such searches or other security arrangements or restrictions as the Directors or the Chairman of the meeting or such person authorised by the Directors shall consider appropriate in the circumstances and shall be entitled in their or his absolute discretion to refuse entry to, or to eject

from, such General Meeting any Member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

63. **Chairman of General Meeting**

The Chairman, if any, of the Board of Directors (or, in his absence, any Deputy Chairman) shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman or Deputy Chairman, or if at any General Meeting he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Directors present shall select one of their number to be Chairman; or if no Director be present and willing to take the chair the Members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

64. **Adjournments**

64.1 The Chairman may, at any time without the consent of the meeting, adjourn any meeting (whether or not it has commenced or has already been adjourned or a quorum is present) either sine dei or to another time or place where it appears to him that (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, (b) the conduct of any persons prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

64.2 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, not less than seven clear days' notice in writing of the adjourned meeting shall be given specifying the day, the place and the time of the meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment.

65. **Orderly conduct**

The Chairman shall, at any meeting, take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the Chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such a nature.

66. **Directors' right to attend and speak**

Each Director shall be entitled to attend and speak at any General Meeting of the Company and at any separate General Meeting of the holders of any class of shares in the Company. The Chairman may invite any person to attend and speak at any General Meeting of the Company whom the Chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

67. **Amendments to resolutions**

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than an amendment to correct a patent error) may in any event be considered or voted upon.

68. **Method of voting**

68.1 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (subject to the Statutes):-

(a) by the Chairman; or

(b) by at least five Members present in person or by proxy and entitled to vote; or

(c) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

(d) by a Member or Members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

68.2 Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

68.3 Except as provided in Article 70, if a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting directs and he may appoint scrutineers and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

69. **Casting vote of Chairman**

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

70. **Timing of poll**

A poll demanded on the election of a Chairman or on the question of an adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days after the date of the meeting or adjourned meeting at which the poll is demanded) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The demand for a poll may be withdrawn with the consent of the Chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

VOTING RIGHTS

71. **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares and to any other provisions of these Articles, on a show of hands every Member present in person and every proxy present who has been duly appointed by a Member shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for each share of which he is the holder.

72. **Votes of joint holders**

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

73. **Voting on behalf of incapable Member**

A Member in respect of whom an order has been made by any court having jurisdiction (in the United Kingdom or elsewhere) in matters concerning mental disorder may vote at any general meeting of the Company and may exercise any other right conferred by membership in relation to general meetings by or through his receiver curator bonis or other person authorised in that behalf appointed by that court, and such receiver curator bonis or other person may, on a poll, vote by proxy, provided that evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote or such other right has been received by the Company (or at such place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been received in order to be valid for use at that meeting or on the holding of that poll.

74. **No right to vote where sums overdue**

No Member shall, unless the Directors otherwise determine, be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any General Meeting, or separate General Meeting of the holders of any class of shares of the

Company, or to be reckoned in a quorum, if any call or other sum presently payable by him to the Company in respect of such share remains unpaid.

75. **Suspension of rights for non-disclosure of interests**

75.1 If any Member, or any other person appearing to the Directors to be interested in any shares in the capital of the Company held by such Member, fails to comply within the relevant period with any statutory notice served by the Company under the Statutes requiring particulars of interests in shares or the identity of persons interested in shares ("**statutory notice**") in respect of those shares or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Company may (at the absolute discretion of the Directors) at any time thereafter by further notice (a "restriction notice") to such Member direct that, in respect of the shares in relation to which the failure or non-compliance occurred (the "restricted shares" which expression shall include any further shares which are issued in respect of any restricted shares), the Member shall not, nor shall any transferee to which any of such shares are transferred other than pursuant to a permitted transfer or pursuant to Article 75.3(c) below, be entitled to be present or to vote on any question, either in person or by proxy, at any General Meeting of the Company or separate General Meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum.

75.2 The Directors may give notice to the relevant Member requiring the Member to change the relevant shares held in uncertificated form to certificated form by the time stated in the restriction notice. The restriction notice may also state that the Member may not change any of the relevant shares held in certificated form to uncertificated form. If the Member does not comply with the notice, the Directors may authorise any person to change the relevant shares held in uncertificated form to certificated form.

75.3 Where the restricted shares represent at least 0.25 per cent. (in nominal value) of the issued shares of the same class as the restricted shares, then the restriction notice may also direct that:-

(a) any dividend or any part thereof or other moneys which would otherwise be payable on or in respect of the restricted shares shall be withheld by the Company; shall not bear interest against the Company; and shall be payable (when the restriction notice ceases to have effect) to the person

who would but for the restriction notice have been entitled to them; and/or

(b) where an offer of the right to elect to receive shares of the Company instead of cash in respect of any dividend or part thereof is or has been made by the Company, any election made thereunder by such Member in respect of such restricted shares shall not be effective; and/or

(c) no transfer of any of the shares held by such Member shall be recognised or registered by the Directors unless the transfer is a permitted transfer or:-

(i) the Member is not himself in default or non-compliant as regards supplying the information required; and

(ii) the transfer is of part only of the Member's holding and, when presented for registration, is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that none of the shares the subject of the transfer are restricted shares.

Upon the giving of a restriction notice its terms shall apply accordingly.

75.4 The Company shall send a copy of the restriction notice to each other person appearing to be interested in the shares the subject of such notice, but the failure or omission by the Company to do so shall not invalidate such notice.

75.5 Any restriction notice shall have effect in accordance with its terms until 7 days after the Directors are satisfied that the default in respect of which the restriction notice was issued no longer continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of a permitted transfer or in accordance with paragraph 75.3(c) above on receipt by the Company of notice that a transfer as aforesaid has been made. The Company may (at the absolute discretion of the Directors) at any time give notice to the Member cancelling, or suspending for a stated period the operation of, a restriction notice in whole or in part.

75.6 For the purposes of this Article:-

(a) a statutory notice shall mean a notice served by the Company under the Statutes requiring particulars of interests in shares or the identity of persons interested in shares;

(b) a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification whether following service of a statutory notice or otherwise which either (1) names such person as being so interested or (2) (after taking into account the said notification and any other relevant information in the possession of the Company) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and

(c) a transfer of shares is a permitted transfer if but only if:-

(i) it is a transfer by way of, or in pursuance of, acceptance of a takeover offer for the Company (as defined in section 974 of the Act); or

(ii) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a third party unconnected with the transferring Member or with any other person appearing to the Directors to be interested in such shares (and for the purposes of this sub-paragraph any associate (as that term is defined in article 4 of the Insolvency (Northern Ireland) Order 1989) of the Member or of any other person appearing to the Directors to be interested in any of the restricted shares shall be deemed to be connected with the transferring Member); or

(iii) the transfer results from a sale made through a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares of the same class as the restricted shares are normally dealt in.

75.7 The provisions of this Article are in addition and without prejudice to the provisions of the Statutes.

76. **Objections to voting**

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

77. **Execution of proxies**

The instrument appointing a proxy shall be in writing in any usual or common form, or any other form which the Directors may approve, signed by the appointor or by his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or signed by an officer or attorney duly authorised. The signature on such instrument need not be witnessed.

78. **Appointment of proxy**

A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. A Member may appoint more than one proxy to attend on the same occasion and if he does shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes and shall ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that Member to exercise. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the meeting or any adjournment thereof.

79. **Receipt of proxy**

79.1 Proxy forms which are in hard copy form must be received at the Office, or at any other place specified by the Company for the receipt of appointments of proxy in hard copy form not less than:-

(a) 48 hours (or such shorter time as the Directors determine) before a meeting or an adjourned meeting; or

(b) 24 hours (or such shorter time as the Directors determine) before a poll is taken, if the poll is taken more than 48 hours after it was demanded; or

(c) before the end of the meeting at which the poll was demanded (or at such later time as the Directors determine), if the poll is taken after the end of the meeting or adjourned meeting but 48 hours or less after it was demanded.

79.2 If such a proxy form is signed by an attorney and the directors require this, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or in some other way approved by the directors, or an office copy) must be received with the proxy form.

79.3 Proxy forms which are in electronic form must be received at the address specified by the Company for the receipt of appointments of proxy by electronic means not less than:-

(a) 48 hours (or such shorter time as the Directors determine) before a meeting or an adjourned meeting; or

(b) 24 hours (or such shorter time as the Directors determine) before a poll is taken, if the poll is taken more than 48 hours after it was demanded; or

(c) before the end of the meeting at which the poll was demanded (or at such later time as the Directors determine), if the poll is taken after the end of the meeting or adjourned meeting but 48 hours or less after it was demanded.

79.4 If such a proxy form is signed by an attorney and the Directors require this, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or in some other way approved by the Directors, or an office copy) must be received at such address, at the office or at any other place specified by the Company for the receipt of such documents by the time set out in Articles 79.3 (a) or (b) or (c) above, as applicable.

79.5 If the above requirements are not complied with, the proxy will not be able to act for the person who appointed him.

79.6 If more than one valid proxy form is received in respect of the same share for use at the same meeting or poll, the one which is received last (regardless of its date or the date on which it is signed) will be treated as the valid form. If it is

not possible to determine the order of receipt, none of the forms will be treated as valid.

79.7 A shareholder can attend and vote at a general meeting or on a poll even if he has appointed a proxy to attend and, on a poll, vote on his behalf at that meeting or on that poll.

79.8 The proceedings at a general meeting will not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these Articles, but because of a technical problem it cannot be read by the recipient.

When calculating the periods mentioned in this Article, the directors can decide not to take account of any part of a day that is not a working day.

80. **Validity of proxy**

An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. No instrument of proxy shall be valid after the expiration of 12 months from the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within 12 months from that date.

81. **Authority of proxy to call for a poll**

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

82. **Cancellation of proxy's authority**

A vote given or poll demanded in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or unsound mind of the principal or revocation of the proxy or determination of the authority of the person voting or demanding a poll, provided that no intimation in writing of such death, unsound mind, revocation or determination shall have been received by the Company at the Office or such other place (if any) as is specified by the Company for the receipt of proxy forms not later than the last time at which a proxy form should

have been received to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

DIRECTORS

83. **Number of Directors**

The number of Directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

84. **Directors' shareholding qualification**

A Director shall not be required to hold any shares in the capital of the Company. A Director who is not a Member shall nevertheless be entitled to receive notice of and attend and speak at all General Meetings of the Company and all separate General Meetings of the holders of any class of shares in the capital of the Company.

85. **Directors' fees and expenses**

85.1 The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine (not exceeding in the aggregate an annual sum (excluding amounts payable under any other provision of these Articles) of £250,000 or such larger amount as the Company may by Ordinary Resolution determine) and such remuneration shall be divided between the Directors as they shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.

85.2 The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or of the holders of any class of shares or debentures of the Company or otherwise in connection with the business of the Company. The company can also fund a director's expenditure and that of a director of any holding company of the company for the purposes permitted by the Statutes and can do anything to enable a director or a director of any holding company of the company to avoid incurring such expenditure all as provided in the Statutes.

86. **Additional remuneration**

Any Director who is appointed to any executive office or who serves on any committee or who devotes special attention to the business of the Company, or who goes or resides abroad, or who otherwise performs services which in the opinion of the Directors or any committee authorised by the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors or such committee may determine.

ALTERNATE DIRECTORS

87. **Alternate Directors**

87.1 Each Director shall have the power at any time to appoint as an alternate Director either (1) another Director or (2) any other person approved for that purpose by a resolution of the Directors, and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the Office or at a meeting of the Directors or in any other manner approved by the Directors. An alternate Director shall not be required to hold any shares in the capital of the Company and shall not be counted in reckoning the maximum and minimum numbers of Directors allowed or required by Article 83.

87.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be an agent of his appointor.

87.3 An alternate Director shall be entitled (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) to receive notices of all meetings of the Directors and of any committee of the

Directors of which his appointor is a Member, and shall be entitled to attend and vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as Director of his appointor.

87.4 The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.

87.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director provided that the Director whom he represents is not participating in the Directors' meeting and would have been entitled to vote if he was participating in it, but he shall count as only one for the purpose of determining whether a quorum is present.

BORROWING POWERS

88. Directors' powers

Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, or any part thereof, and, subject to the provisions of the Statutes to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

89. Restrictions on borrowing

89.1 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means the Company and its subsidiary undertakings for the time being) and for the time being owing to

persons outside the Group shall not at any time, without the previous sanction of an Ordinary Resolution of the Company in General Meeting, exceed the greater of £1 million or a sum equal to 10 times the aggregate of:-

(a) the amount paid up on the issued share capital of the Company; and

(b) the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve and credit balance on the profit and loss account) in each case, whether or not such amounts are available for distribution;

all as shown in the latest audited consolidated balance sheet of the Group but after:-

(i) making such adjustments as may be appropriate in respect of any variation in such amount paid up on the issued share capital or share premium account or capital redemption reserve or merger reserve since the date of such latest audited consolidated balance sheet and so that for this purpose if any issue or proposed issue of shares for cash or otherwise has been underwritten or otherwise agreed to be subscribed (for cash or otherwise) then, at any time when the underwriting of such shares or other agreement as aforesaid shall be unconditional, such shares shall be deemed to have been issued and the amount (including any premium) payable (or which would be credited as payable) in respect thereof (not being moneys payable later than six months after the date of allotment) shall be deemed to have been paid up to the extent that the underwriters or other persons are liable therefor;

(ii) deducting (to the extent included):-

(A) any amounts distributed or proposed to be distributed (but not provided in such latest audited consolidated balance sheet) other than distributions attributable to the Company or any subsidiary undertaking;

(B) any amounts attributable to goodwill (other than goodwill arising on consolidation) or other intangible assets;

(iii) excluding:-

(A) any sums set aside for taxation;

(B) any amounts attributable to outside shareholders in subsidiary undertakings of the Company;

(iv) deducting any debit balance on the profit and loss account; and

(v) making such adjustments (if any) as the Auditors may consider appropriate.

89.2 For the purpose of the foregoing limit "moneys borrowed" shall be deemed to include the following except in so far as otherwise taken into account (together in each case with any fixed or minimum premium payable on final redemption or repayment):-

(a) the principal amount for the time being owing (other than to a member of the Group) in respect of any loan capital, whether secured or unsecured, issued by a member of the Group in whole or in part for cash or otherwise;

(b) the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf by any bank or accepting house other than acceptances relating to the purchase of goods in the ordinary course of trading and outstanding for not more than 90 days;

(c) the nominal amount of any issued share capital, and the principal amount of any moneys borrowed or other indebtedness, the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in the redemption or repayment of which is not owned within the Group; and

(d) the nominal amount of any issued share capital (not being equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary undertaking of the Company owned otherwise than by other members of the Group,

but "moneys borrowed" shall not include and shall be deemed not to include:-

(i) amounts borrowed for the purpose of repaying the whole or any part (with or without premium) of any moneys borrowed by any member of the Group then outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and

(ii) the proportion of the excess outside borrowing of a partly owned subsidiary undertaking which corresponds to the proportion of its equity share capital which is not directly or indirectly attributable to the Company and so that, for this purpose, the expression "excess outside borrowing" shall mean so much of the moneys borrowed by such partly owned subsidiary undertaking otherwise than from members of the Group as exceeds the moneys borrowed (if any) from and owing to it by other members of the Group.

When the aggregate amount of moneys borrowed required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such moneys denominated or repayable (or repayable at the option of any person other than the Company or any subsidiary undertaking) in a currency other than sterling shall be translated, for the purpose of calculating the sterling equivalent, at the rate(s) of exchange prevailing on that day in London, or on the last business day six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange prevailing shall be taken as the spot rate in London quoted at or about 11.00 a.m. on the day in question by a London clearing bank, approved by the Directors, as being the rate for the purchase by the Company of the currency and amount in question for sterling).

89.3 A certificate or report by the Auditors as to the amount of the limit in Article 89.1 or the aggregate amount of moneys borrowed falling to be taken into account under Article 89.1 or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times or during any period shall be conclusive evidence of such amount or fact for the purposes of this Article.

89.4 No lender or other person dealing with the Company or any of its subsidiary undertakings shall be concerned to see or inquire whether the said limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or

the recipient of the security at the time when the debt was incurred or security given that the said limit has been or would thereby be exceeded.

89.5 In this Article "subsidiary undertaking" means a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated group accounts.

POWERS AND DUTIES OF DIRECTORS

90. Powers of Company vested in the Directors

The business of the Company shall be managed by the Directors, who may exercise all the powers of the Company subject, nevertheless, to the provisions of these Articles and of the Statutes, and to such directions as may be given by the Company in General Meeting by special resolution. No alteration of the memorandum of association or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if such alteration had not been made or such direction had not been given. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article.

91. Pensions, insurance and gratuities for Directors and others

91.1 The Directors or any committee authorised by the Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities or other retirement, superannuation, death or disability allowances or benefits (whether or not similar to the foregoing) to (or to any person in respect of) any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any body corporate which is or was a subsidiary undertaking or a parent undertaking of the Company or another subsidiary undertaking of a parent undertaking of the Company or otherwise associated with the Company or any such body corporate, or a predecessor in business of the Company or any such body corporate, and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director or former Director shall be entitled to receive and retain

for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such trust, fund or scheme or otherwise).

91.2 Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its parent undertaking or subsidiary undertaking or another subsidiary undertaking of any such parent undertaking (together "Group Companies") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, or who are or were at any time trustees of (or directors of trustees of) any pension, superannuation or similar fund, trust or scheme or any employees' share scheme or other scheme or arrangement in which any employees of the Company or of any such other body are interested, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body, fund, trust, scheme or arrangement.

92. **Local boards**

The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in the United Kingdom and elsewhere and may from time to time and at any time establish any local boards or agencies for managing any of the affairs of the Company in any specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors (other than the powers of borrowing and of making calls), with power to sub-delegate, and may authorise the members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors

may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

93. **Attorneys**

The Directors may from time to time and at any time by power of attorney appoint any body corporate, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

94. **Official seal**

The directors can use all the powers given by the Statutes relating to official seals.

95. **Overseas branch register**

The Company may exercise the powers conferred upon the Company by the Statutes with regard to the keeping of an overseas branch register, and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit respecting the keeping of any such register.

96. **Directors' Interests**

<u>Conflicts of Interest requiring authorisation by the Directors</u>

96.1 The Directors may, subject to the quorum and voting requirements set out in this Article, authorise any matter which would otherwise involve a Director breaching his duty under the Statutes to avoid conflicts of interest ("**Conflict**").

96.2 A Director seeking authorisation in respect of a Conflict shall declare to the Directors the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The Director shall provide the Directors with such details of the relevant matter as are necessary for the Directors to decide how

to address the Conflict together with such additional information as may be requested by the Directors.

96.3 Any Director (including the relevant Director) may propose that the relevant Director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the Directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the Directors under the provisions of these Articles save that:

(a) the relevant Director and any other Director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and

(b) the relevant Director and any other Director with a similar interest may, if the other Directors so decide, be excluded from any board meeting while the Conflict is under consideration.

96.4 Where the Directors give authority in relation to a Conflict:

(a) the Directors may (whether at the time of giving the authority or subsequently) (i) require that the relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Directors or otherwise) related to the Conflict; and (ii) impose upon the relevant Director such other terms for the purpose of dealing with the Conflict as it may determine;

(b) the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict;

(c) the Directors may provide that where the relevant Director obtains (otherwise than through his position as a Director of the Company) information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;

(d) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and

(e) the Directors may revoke or vary such authority at any time but this will not affect anything done by the relevant Director prior to such revocation in accordance with the terms of such authority.

Other conflicts of interest

96.5 If a Director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the Directors in accordance with the Statutes.

96.6 Provided he has declared his interest in accordance with Article 96.5, a Director may:

(a) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;

(b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the Directors may decide;

(c) alone, or through somea firm with which he is associated, do paid professional work for the company or another company in which the Company has an interest (other than as auditor);

(d) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and

(e) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

Benefits

96.7 A Director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company for any remuneration,

profit or other benefit realised by reason of his having any type of interest authorised under 96.1 or permitted under Article 96.6 and no contract shall be liable to be avoided on the grounds of a Director having any type of interest authorised under Article 96.1 or permitted under Article 96.6.

Quorum and Voting Requirements

96.8 A Director cannot vote or be counted in the quorum on a resolution of the Directors about a contract in which he has an interest and, if he does vote, his vote will not be counted, but this prohibition will not apply to any resolution where that interest cannot reasonably be regarded as likely to give rise to a conflict of interest or where that interest arises only from one or more of the following matters:-

(a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(b) the giving to any third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) the giving to him any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

(d) the Company funding his expenditure on defending proceedings or the Company doing something to enable him to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements;

(e) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(f) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(g) any contract concerning any other company (not being a company in which the director has a Relevant Interest) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(h) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which relates both to Directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;

(i) any contract, arrangement, transaction or other proposal for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the scheme relates; and

(j) any proposal or contract concerning any insurance which the Company is to purchase and/or maintain for or for the benefit of any Directors or for the benefit of persons who include Directors.

96.9 A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

96.10 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment or the settlement or variation of the terms or the termination of his own appointment

or the appointment of another director to an office or place of profit with a company in which the Company is interested and the director seeking to vote or be counted in the quorum has a Relevant Interest in it.

96.11 A Director will be treated as having a Relevant Interest in a company if he holds an interest in shares representing one per cent. or more of a class of equity share capital (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights of that company. In relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise. Interests which are unknown to the director and which it is unreasonable to expect him to know about are ignored.

96.12 Where a company in which a Director has a Relevant Interest is interested in a contract, the Director will also be treated as being interested in that contract.

96.13 If any question shall arise at any meeting as to interest of any Director (other than the chairman of the meeting) in a contract and whether it is likely to give rise to a conflict of interest or as to the entitlement of any Director (other than the chairman of the meeting) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the Directors (for which purpose the chairman of the meeting shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the Directors.

General

96.14 References in this Article 96 to:

(a) a contract include references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not constituting a contract; and

(b) a conflict of interest include a conflict of interest and duty and a conflict of duties.

96.15 The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of these Articles.

97. **Exercise of Company's voting powers**

The Directors may exercise or procure the exercise of the voting rights conferred by the shares in any other body corporate held or owned by the Company or any power of appointment in relation to any other body corporate, and may exercise any voting rights or power of appointment to which they are entitled as directors of such other body corporate, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of appointing themselves or any of them as directors, officers or servants of such other body corporate, and fixing their remuneration as such, and may vote and be counted in the quorum as Directors of the Company in connection with any of the matters aforesaid.

98. **Signature of cheques etc.**

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine.

99. **Minutes**

99.1 The Directors shall cause minutes to be made in books provided for the purpose:-

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.

99.2 It shall not be necessary for Directors present at any meeting of Directors or committee of Directors to sign their names in the Minute Book or other book kept for recording attendance. Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were had, or by the Chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

DISQUALIFICATION OF DIRECTORS

100. **Vacation of Director's office**

The office of a Director shall be vacated in any of the following events, namely:-

100.1 if a bankruptcy order is made against him or he makes any arrangement or composition with his creditors generally;

100.2 if he becomes prohibited by law from acting as a Director;

100.3 if, by reason of his mental health, in Northern Ireland or elsewhere, an order is made by any court which wholly or partly prevents him from personally exercising any powers or rights which that person would otherwise have;

100.4 a registered medical practitioner who is treating the Director gives w written opinion to the Company stating that he has become physically or mentally incapable of acting as a director and may remain so for more than three months;

100.5 if he resigns his office by notice in writing delivered to or received at the Office or offers in writing signed by him to resign and the Directors resolve to accept such offer;

100.6 if, not having leave of absence from the Directors, he and his alternate (if any) fail to attend the meetings of the Directors for six successive months, unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient, and the Directors resolve that his office be vacated;

100.7 if, by notice in writing delivered to the Office or tendered at a meeting of the Directors, his resignation is requested by at least 75 per cent. of the other Directors (but so that this shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company); or

100.8 he ceases to be a Director by virtue of the Statutes or is removed from office pursuant to these Articles.

ROTATION OF DIRECTORS

101. Number of Directors to retire by rotation

At each Annual General Meeting of the Company one-third of the Directors who are subject to retirement by rotation, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. A Director retiring at a meeting shall, if he is not reappointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the dissolution of such meeting.

102. Identity of Directors to retire

The Directors to retire by rotation in each year shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for reappointment. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the start of business on the date of the notice convening the Annual General Meeting and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after that time on the date of the notice but before the close of the meeting.

103. Filling vacancies arising on rotation

If at any General Meeting at which a Director retires by rotation, the place of any Director retiring by rotation be not filled up, then such retiring Director shall, if willing, be deemed to have been reappointed, unless at the meeting it is

resolved not to fill the vacancy or unless a resolution for his reappointment shall have been put to the meeting and lost.

104. **Appointment of Directors by separate resolution**

A single resolution for the appointment of two or more persons as Directors shall not be put at any General Meeting unless a resolution that it shall be so put has first been agreed to by the meeting without any vote being given against it.

105. **Persons eligible for appointment**

No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for appointment to the office of Director at any General Meeting unless not less than 7 nor more than 42 days before the date appointed for the meeting there shall have been left at the Office notice in writing, signed by a Member duly qualified to attend and vote at such meeting, of his intention to propose such person for appointment, and also notice in writing signed by that person of his willingness to be appointed.

106. **Casual vacancies and additional Directors - powers of Company**

Subject as aforesaid, the Company may from time to time by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a casual vacancy or as an additional director, and may also determine the rotation in which any such appointed Directors are to retire.

107. **Casual vacancies and additional Directors - powers of Directors**

The Directors shall have power at any time, and from time to time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or pursuant to these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for reappointment but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. If not reappointed at such meeting, he shall vacate office at the conclusion thereof.

108. **Power of removal by ordinary resolution**

The Company may by Ordinary Resolution, of which special notice has been given in accordance with the provisions of the Statutes, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

109. **Appointment of replacement Director**

Subject to Article 105, the Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article. A person appointed in place of a Director so removed shall be treated (for the purpose of determining the time at which he or any other Director is to retire by rotation) as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director.

PROCEEDINGS OF DIRECTORS

110. **Board meetings and participation**

The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director at any time may, and the Secretary on the requisition of a Director at any time shall, summon a meeting of the Directors. Without prejudice to the foregoing, all or any of the Directors or of the members of any committee of the Directors may participate in a meeting of the Directors or of that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and, subject to these Articles, shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is then present. The word "meeting" in these Articles shall be construed accordingly.

111. **Quorum**

The Directors may determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Subject to the provisions of these Articles, any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no other Director objects and if otherwise a quorum of Directors would not be present.

112. **Notice of meetings**

Notice of a meeting of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. It shall not be necessary to give notice of a meeting of Directors to a Director who is not within the United Kingdom. Any Director can waive his entitlement to notice of any Directors' meeting, including one which has already taken place and any waiver after the meeting has taken place will not affect the validity of the meeting or any business conducted at the meeting.

113. **Voting**

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote.

114. **Directors below minimum**

The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

115. **Appointment of Chairman**

The Directors may elect one of their number as a Chairman of their meetings, and one of their number to be the Deputy Chairman and may at any time remove either of them from such office; but if no such Chairman or Deputy Chairman be elected, or if at any meeting neither the Chairman nor the Deputy Chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number to be Chairman of such meeting.

116. **Delegation of Directors' powers to committees**

The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve any payment to or the conferring of any other benefit on all or any of the Directors) to committees (with power to sub-delegate) consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided, provided that a majority of the members of such committee shall be Directors. Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Directors of such power or discretion shall be read and construed as if it were a reference to the exercise of such power or discretion by such committee. Any committee so formed shall in the exercise of the powers and discretions so delegated conform to any regulations that may from time to time be imposed by the Directors in default of which the meetings and proceedings of a committee consisting of more than one member shall be governed mutatis mutandis by the provisions of these Articles regulating the proceedings and meetings of the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.

117. **Validity of Directors' acts**

All acts done by any meeting of the Directors or of a committee of the Directors or by any person acting as a Director or as a member of a committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any of the persons acting as aforesaid, or that any of such persons were disqualified from holding office or not entitled to vote, or had in any way vacated office, be as valid as if every

such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or member of the committee and was entitled to vote.

118. **Written resolution of Directors**

A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors or by all the members of a committee for the time being, shall be as valid and effective for all purposes as a resolution passed at a meeting duly convened and held, and may consist of two or more documents in like form each signed by one or more of the Directors or members of such committee provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him.

MANAGING AND EXECUTIVE DIRECTORS

119. **Appointment of Executive Directors**

Subject to the provisions of the Statutes the Directors, or any committee authorised by the Directors, may from time to time appoint one or more of their body to the office of Managing Director or to hold such other Executive Office in relation to the management of the business of the Company as they may decide, for such period and on such terms as they think fit, and, subject to the terms of any service contract entered into in any particular case and without prejudice to any claim for damages such Director may have for breach of any such service contract, may revoke such appointment without prejudice to any claim for damages such director may have for breach of any service contract between him and the Company, his appointment shall be automatically determined if he ceases for any reason to be a Director.

120. **Remuneration of Executive Directors**

The salary or remuneration of any Managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, and may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office

or employment to which he is appointed and for the participation in pension and life assurance and other benefits, or may be upon such other terms as the Directors determine.

121. **Powers of Executive Directors**

The Directors may entrust to and confer upon a Managing Director or such Executive Director any of the powers and discretions exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and discretions and may from time to time revoke, withdraw, alter or vary all or any of such powers or discretions.

SECRETARY

122. **Appointment and removal of Secretary**

Subject to the provisions of the Statutes, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit; and any Secretary may be removed by them.

THE SEAL

123. **Use of seal**

The Directors shall provide for the safe custody of every seal of the Company, and no seal shall be used without the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is applied shall be signed by an authorised person in the presence of a witness, and any instrument to which an official seal is applied need not, unless the Directors for the time being otherwise decide or the law otherwise requires, be signed by any person.

124. **Execution having effect of seal**

Where the Statutes so permit, any instrument signed by one authorised person in the presence of a witness and expressed to be executed by the Company

shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to be a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

RESERVE

125. **Establishment of reserve**

The Directors may from time to time set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

DIVIDENDS

126. **Declarations of dividends by Company**

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

127. **Payment of interim and fixed dividends by Directors**

Subject to the provisions of the Statutes, the Directors:-

127.1 may from time to time pay such interim dividends as they think fit;

127.2 may also pay the fixed dividends payable on any shares of the Company half-yearly or otherwise on fixed dates.

If the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

128. **Restrictions on dividends**

No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Statutes.

129. **Calculation of dividends**

129.1 Subject to the rights of persons, if any, entitled to shares with any priority, preference or special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly.

129.2 The Directors may agree with any Member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

130. **Deductions of amounts due on shares and waiver**

130.1 The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

130.2 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the

death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

131. **Dividends other than in cash**

Any General Meeting declaring a dividend may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other body corporate, and the Directors shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

132. **Payment procedure**

132.1 All dividends and other distributions shall be paid (subject to any lien of the Company) to those Members whose names shall be on the Register at the date at which such dividend shall be declared or at such other time and/or date as the Company by Resolution or the Directors may determine.

132.2 The Company may pay any dividend or other moneys payable in cash in respect of shares by direct debit, bank or other funds transfer system (subject always, in the case of uncertificated shares, to the facilities and requirements of the relevant system concerned, where payment is to be made by means of such system), or by cheque, dividend warrant or money order and may remit the same by post directed to the registered address of the holder or person entitled thereto (or, in the case of joint holders or of two or more persons entitled thereto, to the registered address of the person whose name stands first in the Register), or to such person and to such address as the holder or joint holders or person or persons may in writing direct, and the Company shall not be responsible for any loss of any such cheque, warrant or order nor for any loss in the course of any such transfer or where it has acted on any such directions. Every such cheque, warrant or order shall be made payable to, or to the order of, the person to whom it is sent, or to, or to the order of, such person as the holder or joint holders or person or persons entitled may in writing direct, and

the payment of such cheque, warrant or order shall be a good discharge to the Company. Any one of two or more joint holders of any share, or any one of two or more persons entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the share.

133. **No interest on dividends**

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

134. **Forfeiture of dividends**

All dividends or other sums payable on or in respect of any share which remain unclaimed may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years or more after being declared or becoming due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

CAPITALISATION OF PROFITS AND SCRIP DIVIDENDS

135. **Power to capitalise**

Subject to the provisions of Article 136, the Directors may capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including any share premium account and capital redemption reserve) or to the credit of the profit and loss account (in each case, whether or not such amounts are available for distribution), and appropriate the sum resolved to be capitalised either:-

135.1 to the holders of Ordinary Shares (on the Register at the close of business on such date as may be specified in, or determined as provided in, the resolution of the General Meeting granting authority for such capitalisation) who would have been entitled thereto if distributed by way of dividend and in the same proportions; and the Directors shall apply such sum on their behalf either in or

towards paying up any amounts, if any, for the time being unpaid on any shares held by such holders of Ordinary Shares respectively or in paying up in full at par unissued shares or debentures of the Company to be allotted credited as fully paid up to such holders of Ordinary Shares in the proportions aforesaid, or partly in the one way and partly in the other; or

135.2 to such holders of Ordinary Shares who may, in relation to any dividend or dividends, validly accept an offer or offers on such terms and conditions as the Directors may determine (and subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with legal or practical problems in respect of overseas shareholders or in respect of shares represented by depositary receipts) to receive new Ordinary Shares, credited as fully paid up, in lieu of the whole or any part of any such dividend or dividends (any such offer being called a "Scrip Dividend Offer"); and the Directors shall apply such sum on their behalf in paying up in full at par unissued shares (in accordance with the terms, conditions and exclusions or other arrangements of the Scrip Dividend Offer) to be allotted credited as fully paid up to such holders respectively.

136. **Scrip dividends**

136.1 The authority of the Company in General Meeting shall be required before the Directors implement any Scrip Dividend Offer (which authority may extend to one or more offers).

136.2 The authority of the Company in General Meeting shall be required for any capitalisation pursuant to paragraph 135.1 above.

136.3 A share premium account and a capital redemption reserve and any other amounts which are not available for distribution may only be applied in the paying up of unissued shares to be allotted to holders of Ordinary Shares of the Company credited as fully paid up.

137. **Provision for fractions etc.**

Whenever a capitalisation requires to be effected, the Directors may do all acts and things which they may consider necessary or expedient to give effect thereto, with full power to the Directors to make such provision as they think fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the

benefit thereof accrues to the Company rather than to the Members concerned) and also to authorise any person to enter on behalf of all Members concerned into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ACCOUNTS

138. **Inspection of accounting records**

The accounting records shall be kept at the Office or, subject to the provisions of the Statutes, at such other place or places as the Directors think fit, and shall always be open to the inspection of the officers of the Company.

139. **Power to extend inspection**

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting.

NOTICES

140. **Service of notice and curtailment**

140.1 The Company can send or supply any notice or other, document or communication, including a share certificate, or other information to a Member:-

(a) by delivering it to him personally;

(b) by addressing it to him and posting it to, or leaving it at, the Member's registered address;

(c) through a relevant system, where it relates to uncertificated shares;

(d) as authorised in writing by the relevant Member;

(e) where appropriate, by sending or supplying it in electronic form to an address notified by the relevant Member to the Company for that purpose; or

(f) where appropriate, by making it available on a website and notifying the Member of its availability in accordance with the Statutes or in any other manner provided by this Article.

140.2 The Company shall not be required under this Article 140 or otherwise to send, issue, deliver or otherwise supply any such notice or document into any jurisdiction where it would be unlawful to do so.

140.3 If at any time by reason of the suspension or any curtailment of postal services in the United Kingdom or any part of the United Kingdom the Company is unable in the opinion of the Directors effectively to convene a General Meeting by notices sent through the post, the Company need only give notice of a General Meeting to those Members with whom the Company can communicate by electronic means and who have provided the Company with an address for this purpose. The Company shall also advertise in at least one national newspaper and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof. In any such case the Company shall send or supply confirmatory copies of the notice by post in hard copy form if at least seven days prior to the date of the Meeting the posting of notices to addresses throughout the United Kingdom again becomes in the opinion of the Directors practicable.

140.4 Any notice, circular or other document may be served or delivered by the Company by reference to the Register at such time as the Directors shall resolve, being not more than 15 days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery. Where any notice or other document is served on or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

140.5 If on three consecutive occasions a notice to a Member has been returned undelivered, such Member shall not thereafter be entitled to receive notices

from the Company until he shall have communicated with the Company and supplied to the Company (or its agent) a new registered address, or a postal address within the United Kingdom for the service of notices, or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices in electronic form. For these purposes, a notice sent by post shall be treated as returned undelivered if the notice is sent back to the Company (or its agent), and a notice sent in electronic form shall be treated as returned undelivered if the Company (or its agent) receives notification that the notice was not delivered to the address to which it was sent.

140.6 The Company may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all of the Members.

141. **Notice deemed served**

141.1 Where a notice or other document is sent by post, service of the notice or other document shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice or other document, and to have been effected at the latest within 24 hours if prepaid as first-class and within 72 hours if prepaid as second-class after the letter containing the same is posted; and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and stamped and put in the post.

141.2 Any notice or document not sent by post but left at a registered address (other than an address for the purposes of communication by electronic means) shall be deemed to have been served or delivered on the day it was so left.

141.3 Any notice served or delivered by the Company by means of a relevant system shall be deemed to have been served or delivered when the Company or any sponsoring system participant acting on its behalf sends the issuer-instruction relating to the notice.

141.4 Any notice or document sent by the Company using electronic means shall be deemed to have been received on the day following that on which it was sent notwithstanding that the Company subsequently sends a hard copy of such notice, document or information by post.

141.5 Any notice, document or other information made available on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this Article. In proving that a notice, document or other information served, sent or supplied by electronic means was served, sent or supplied, it shall be sufficient to prove that it was properly addressed.

141.6 Any notice, document or other information served, sent or supplied by the Company by any other means authorised in writing by the Member concerned shall be deemed to have been received when the Company has carried out the action it has been authorised to take for that purpose.

142. **Notice to joint holders**

A notice or other document may be given by the Company to the joint holders of a share by giving the notice or other document to the joint holder first named in the Register in respect of the share.

143. **Service of notice on persons entitled by transmission**

A notice or other document may be sent or supplied by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law by:

143.1 sending or supplying it addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled or, where applicable, be notified at that address of the availability of the notice, document or other information on a website,, or

143.2 (until any such address referred to in Article 143.1 has been so supplied) by giving the notice or other document in any manner in which the same might have been given if the death or bankruptcy or other event had not occurred.

PROVISION FOR EMPLOYEES

144. **Provision for employees**

The power conferred upon the Company by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any subsidiary shall only be exercised by the Directors with the prior sanction of an Ordinary Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares in issue and shall accordingly require either (i) the prior consent in writing of the holders of three-fourths of the issued shares or (ii) the prior sanction of an Special Resolution passed at a separate General Meeting of the holders of the shares, of each class, in accordance with the provisions of Article 17 hereof.

INDEMNITY

145. **Indemnity of officers**

145.1 To the extent permitted by the Statutes and subject to Article 145.2, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every relevant officer shall be indemnified out of the assets of the Company against:

(a) any liability incurred by that officer in connection with any negiligence, defauly, breach of duty or breach of trust in relation to the Company or an associated company;

(b) any liability incurred by that officer in conncetion with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and

(c) any other liability incurred by that officer of the Company or an associated company.

145.2 No relevant officer shall be accountable to the Company or the Members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

145.3 In this Article –

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

(b) a "relevant officer" means any director, former director or other officer of the Company or an associated company (but not its auditor).

INSURANCE

146. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

147. In Article 146:

147.1 a "relevant officer" means any director or former director of the Company or an associated company, any other officer or employee or former officer or employee of the Company (but not its auditor) or any trustee of an occupational pension scehem (as defined in section 235(6) of the Act) for the purposes of an employees' share scheme of the Company or an associated company; and

147.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company (within the meaning of Article 145.3(a)) or any pension fund or employees' share scheme of the Company or associated company.

Investors' Exchange LLC

Date of filing: September 9, 2015

Date as of which the information is accurate: September 9, 2015

Exhibit D

For each subsidiary or affiliate of the exchange, provide unconsolidated financial statements for the latest fiscal year. Such financial statements shall consist, at a minimum, of a balance sheet and an income statement with such footnotes and other disclosures as are necessary to avoid rendering the financial statements misleading. If any affiliate or subsidiary is required by another Commission rule to submit annual financial statements, a statement to that effect, with a citation to the other Commission rule, may be provided in lieu of the financial statements required here.

Attached as Addendum D-1 are the audited financial statements of IEX Group, Inc. for the fiscal year ending 12/31/2014.

Attached as Addendum D-2 are the audited financial statements of IEX Services LLC for the fiscal year ending 12/31/2014.

Investors' Exchange LLC

Date of filing: September 9, 2015

Date as of which the information is accurate: September 9, 2015

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.

Investors' Exchange LLC ("Exchange") proposes to register as a national securities exchange under Section 6 of the Exchange Act. The Exchange will be owned by its parent company, IEX Group, Inc. ("IEXG"), which will elect all directors of the Board of Directors of the Exchange, except for those directors approved by members pursuant to Article III, Section 4 of the Operating Agreement of the Exchange. The members of the Exchange ("Members") will consist of those broker-dealers admitted to membership and entitled to enter orders in, and receive executions through, the Exchange's Order Book (as defined below) or otherwise. 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 shareholders of IEXG shall not have any ownership interest in the Exchange.

Once registered, the Exchange will operate a fully automated electronic book ("Order Book") for orders to buy or sell securities ("orders") with a continuous, automated matching function. The Exchange will also conduct an Opening Process for the Regular Market Session pursuant to Rule 11.231. Orders not eligible for trading prior to the commencement of the Regular Market Session that are received and eligible to be queued during the Pre-Market Session pursuant to Rule 11.190(a) will be queued in the time sequence of their receipt by the System pursuant to Rule 11.220(a)(2). Orders queued during the Pre-Market Session are processed as incoming orders pursuant to Rule 11.230 at the commencement of Regular Market Session. During the Exchange's trading sessions, liquidity will be derived from orders to buy and orders to sell submitted to the Exchange electronically by its Members from remote locations. There will be no Exchange trading floor.

IEX Services, LLC ("IEXS") is a broker-dealer that will be a facility of the Exchange, responsible for outbound routing only ("Router") and available for use by Members at their election to access liquidity at market centers away from the Exchange. The Router is connected to the twelve (12) national securities exchanges that trade equity securities.

Membership in 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 proposed Exchange Rules 2.130 through 2.160. To be a Member of the Exchange, a firm must be registered as a broker-dealer, be a member of at least one other national securities exchange or national securities association, be able to clear trades or must clear through a Member clearing firm, and meet the additional criteria prescribed by either Rule 2.150, for existing IEX ATS Subscribers who are FINRA members, or Rule 2.170. There will be one class of membership, with all Members enjoying the same rights and privileges on the Exchange. Members may further register as IEX Market Makers, subject to the requirements and obligations of Rules 11.150 and 11.151. Members will be subject to fees for orders executed on the Exchange as set forth in Chapter 15 of the Rules of the Exchange or as may otherwise be determined by the Board of Directors of the Exchange from time-to-time, subject to filing with the Commission. Exchange memberships 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. The Exchange currently does not contemplate charging a fee for membership in the Exchange. A more detailed description of the membership criteria is set forth in Chapter 2 of the Exchange's rules. *See* Exhibit B, *supra*.

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 Operating Agreement and Rules of the Exchange. *See* Exhibits A and B to this Application.

1. **The means of access to the System**

User Access. Members of the Exchange, Sponsored Participants (together with Members, "Users") and/or Service Bureaus on behalf of a Member (collectively referred to as "Access Participants") will be permitted to send orders to buy and sell securities listed or traded on the Exchange to 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 Users to individually determine the best method for accessing the Exchange. Thus, Users 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 via a front end or service bureau configuration. Access Participants will be able to access the Exchange remotely through a variety of connections that support a minimum data exchange rate, as may be determined by the Exchange from time-to-time. All access to the System is provided from a Point of Presence (an "IEX POP") of the Exchange, which is designed to provide Access Participants with 350 microseconds of latency from such IEX POP to the System.

Access to the Exchange is available to Access Participants at an Internet Protocol ("IP") address at the Exchange's IP network address by the Access Participants' own software, via communications that are compliant with the Financial Information Exchange ("FIX") protocol application programming interface ("API") provided by the Exchange.

An Access Participant must 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 Access Participant's IP address to a dedicated IP address on the Exchange's order handling network. In this way, only authorized Access Participants can gain access to the Exchange via registered physical IP addresses.

Access Participants 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. Specifically, each Access Participant will be assigned a specific port, or multiple ports, each of which has a unique session identification code provided only to such Access Participant.

Non-Member Access. As necessary, the Exchange will have and maintain connectivity to the other national securities exchanges and Market Centers (such term is defined in Rule 600(b)(38) of Regulation NMS) for the purposes of receiving inbound orders. The Exchange plans to become a participant in the NASDAQ/National Market System/Unlisted Trading Privileges Plan ("Nasdaq-UTP Plan"). The Exchange proposes to discuss with the committee supervising any plan, including the Nasdaq-UTP Plan, how the Exchange might best participate in such Plans. If admitted as a participant to the Nasdaq-UTP Plan, other plan participants would be able to send orders to the Exchange in accordance with the terms of the applicable plan as they ultimately would be applied to the Exchange.

Non-members also may access the Exchange pursuant to Exchange rules governing "sponsored access" to the Exchange, as described below.

Sponsored Participant Access to the Exchange. The Exchange plans to permit access to the Exchange to entities ("Sponsored Participants") whose access is authorized in advance by one or more Members ("Sponsoring Member") in accordance with Exchange Rules. The Sponsoring Member must agree to be responsible for all orders entered into on the Exchange by the Sponsored Participant. 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 on the Exchange. The Exchange will accept the submission of orders by Users in securities admitted to unlisted trading privileges ("UTP") on the Exchange. The Exchange will not list securities initially, though it may do so in the future. Accordingly, while this Application, including certain rules included in Exhibit B, contains references to securities listed or trading pursuant to UTP, the reference to securities listed on the Exchange is intended to be read prospectively.

Orders entered into the Exchange must be priced and must have a designated size ("limit orders"), must be orders to buy or sell a stated amount of a security at the national best bid or offer when the order reaches the Exchange ("market orders"), or must be non-displayed, non-routable orders that are priced and automatically adjusted by the System in response to changes in the NBBO ("pegged orders"). A "marketable" limit order is a limit order to buy (sell) at or above (below) the lowest (highest) Protected Offer (Bid) for the security. The Exchange will support the following peg instructions: primary peg, midpoint peg, and Discretionary Peg, as defined in Rule 11.190(b)(8)–(10). To reduce the possibility of market impact outside of the Regular Market Session, market orders and pegged orders will not be

eligible to trade in either the Pre-Market Session or the Post-Market Session. Limit orders, market orders, and pegged orders, as defined above, are hereinafter collectively referred to as "orders".

Orders will be accepted for any such security, whether submitted by a User on a proprietary or agency basis, in any size up to 1,000,000 shares or $30,000,000. 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 Users 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. Users 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 pursuant to Rule 11.190(d).

Users may submit orders to the Exchange with the following execution instructions: IEX Only; Primary Peg; Midpoint Peg; Discretionary Peg; Route to Take; Route to Take with Re-sweep; Route to Rest; Route to Rest with Re-sweep; and Inter-market Sweep Order ("ISO"). Users may submit orders to the Exchange with the following time-in-force terms: IOC; FOK; Day; Good 'til Extended Day; System Hours; and Good 'til Time. Users may submit orders to the Exchange with display instructions which will be classified as one of the following: Reserve, Non-Displayed, or Displayed; orders submitted without display instructions will be, by default, fully displayed. Users may submit orders to the Exchange for any size which will be classified as one of the following: Round Lot; Odd Lot; or Mixed Lot. Non-displayed, non-routable orders may be submitted with Minimum Quantity terms. Orders may be marked with an Anti-Internalization Group Identifier ("AGID") modifier. Each of these types of orders and modifiers is described in detail in proposed Exchange Rule 11.190; however, several have been described below.

Active and Resting Orders. The term "active order" is defined by IEX to mean an order checking against the IEX Order Book for contra-side interest against which to execute and includes new incoming orders, orders posting to the Order Book after having been routed to away trading centers, and orders Rechecking the Order Book pursuant to Rule 11.230(a)(4)(D) (see section 3 below for addition details on Book Recheck behavior). For each symbol, only one order may be active at a given time. The term "resting order" is defined by IEX to mean any order with unexecuted, open share interest that has been posted to the IEX Order Book pursuant to Rule 11.190.

Primary Peg. A pegged order that upon entry and when posting to the Order Book is priced by the System to be equal to and ranked at the less aggressive of 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. Primary peg orders are not eligible for Book Recheck.

Midpoint Peg. A pegged order that upon entry and when posting to the Order Book is priced by the System to be equal to the less aggressive of the midpoint of the NBBO ("Midpoint Price") 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 changes in the midpoint of the NBBO as allowed by the order's limit price, if any. For stocks priced below one dollar, where Midpoint Prices may be expressed within four (4) decimal places of the dollar, the Exchange uses the Midpoint Price; for Midpoint Prices which would require a fifth decimal place beyond the dollar, the Exchange uses the nearest, passive, fourth decimal price.

Discretionary Peg. A pegged order that upon entry is priced by the System to be equal to the less aggressive of the Midpoint Price or the order's limit price, if any. Any unexecuted shares of such order are posted to the Order Book priced to be equal to and ranked at the less aggressive of the primary

quote 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 price limit, 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 pursuant to Rule 11.190(g) (described in the paragraph below). 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.

Quote Stability. 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 NBB to a lower price or 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 NBB and NBO for each security.

When the System determines a quote, either the NBB or the NBO, is unstable, the determination remains in effect at that price level for ten (10) milliseconds. The System will only treat one side of the NBBO as unstable in a particular security at any given time. Quote instability or a crumbling quote is determined by the System when following factors occur: (a) the NBB and NBO are the same as the NBB and NBO one (1) millisecond ago; (b) the NBBO spread is less than or equal to the thirty (30) day median NBBO spread during the Regular Market Session; (c) there are more protected quotations on the far side, i.e., more Protected Quotations on the NBO than the NBB for buy orders, or more Protected Quotations on the NBB than the NBO for sell orders; and (d) the quote instability factor result from the quote stability calculation is greater than the defined quote instability threshold, pursuant to Rule 11.190(g).Time-in-Force. The Exchange will support the following time-in-force ("TIF") values, as defined in Rule 11.190(c). Each TIF may be applied to the general order types described above. Specific treatment for limit orders, market orders, and pegged orders is defined in Rule 11.190(a)(1)(E), Rule 11.190(a)(2)(E), and 11.190(a)(3)(E), respectively.

Immediate-or-Cancel ("IOC"). Orders entered into the System marked IOC are executed on the Exchange or routed to an away venue, in whole or in part, as soon as such order is received, and the portion not so executed is canceled. Orders marked IOC are never posted to the Order Book and considered by definition to be non-displayable orders.

Fill or Kill ("FOK"). Orders entered into the System marked FOK are immediately executed on the Exchange for their full quantity or otherwise canceled. Orders marked FOK are never posted to the Order Book and considered by definition to be non-displayable orders. Routable orders marked FOK are rejected.

Day ("DAY"). Orders entered into the System marked DAY may queue during the Pre-Market Session. When queued, orders will participate in the Opening Process before becoming available for the Regular Market Session. Orders marked DAY are only available for trading or routing during the Regular Market Session and expire at the end of the Regular Market Session.

Good 'til Extended Day ("GTX"). Orders entered into the System marked GTX may queue during the Pre-Market Session. When queued, orders will participate in the Opening Process before becoming available for the Regular Market Session. Orders marked GTX are available for trading or routing during both the Regular Market Session and Post-Market Session, and expire at the end of the Post-Market Session.

System Session ("SYS"). Orders entered into the System marked SYS may trade or route during System Hours – defined as the Pre-Market Session, Regular Market Session, and Post-Market Session, collectively – and expire at the end of the Post-Market Session.

Good 'til Time ("GTT"). Orders entered into the System marked GTT are available during System Hours and expire at the earlier of the User specified expire time or the end of the Post-Market Session.

Minimum Quantity. 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. While a Minimum Quantity Order ("MQTY") is resting on the Order Book (i.e. a resting order), the MQTY executes against a willing active order, provided the active order's remaining shares are equal to or greater than the effective minimum quantity of the MQTY. Based on User instruction, the Exchange utilizes one of the following methods to determine the satisfaction of the minimum quantity terms of a MQTY: Composite, Minimum Execution Size with Cancel Remaining, or Minimum Execution Size with All-or-None Remaining as defined in Rule 11.190(b)(11).

Composite. When a MQTY marked Composite is active (i.e., an active order), the MQTY executes against all willing resting orders of any size, provided that the aggregate execution size is equal to or greater than its effective minimum quantity. When a MQTY marked Composite has fewer remaining unexecuted shares than its effective minimum quantity, the System will treat the order as having an effective minimum quantity equal to its number of unexecuted shares.

Minimum Execution Size with Cancel Remaining ("MinExec with Cancel Remaining"). When a MQTY marked MinExec with Cancel Remaining is active, the MQTY executes against each willing resting order in priority, provided that each individual execution size meets its effective minimum quantity. If an active MQTY reaches a resting order that would trade with it, but such order does not satisfy its effective minimum quantity, the MQTY will post to the Order Book or cancel back to the User as per the order's instructions. When a MQTY marked MinExec with Cancel Remaining has fewer remaining unexecuted shares than its effective minimum quantity, the System will cancel the order back to the User.

Minimum Execution Size with All-or-None Remaining ("MinExec with AON Remaining"). When a MQTY marked MinExec with AON Remaining is active, the MQTY executes against each willing resting order in priority, provided that each individual execution size meets its effective minimum quantity. If an active MQTY reaches a resting order that would trade with it, but such order does not satisfy its effective minimum quantity, the MQTY will post to the Order Book or cancel back to the User as per the order's instructions. When a MQTY marked MinExec with AON Remaining has fewer remaining unexecuted shares than its effective minimum quantity, the System will treat the order as having an effective minimum quantity equal to its number of unexecuted shares.

Anti-Internalization Group Identifier Modifier. Any active order designated with an AGID modifier will be prevented from executing against a resting opposite side order also designated with the same AGID modifier and originating from the same market participant identifier ("MPID") or Exchange User (any such identifier, a "group type"). In situations when two orders subject to Anti-Internalization would match, the older of the orders is canceled. Determination of "older" is based upon the time the order is received by the System, including by initial order entry, User revision (i.e., cancel/replace), or returning to the System from routing. The group type elected by a User controls the interaction between two orders marked with AGID modifiers.

IEX notes that use of the AGID modifier does not relieve or otherwise modify the duty of best execution owed to orders received from public customers. As such, market participants using the AGID modifier will need to take appropriate steps to ensure public customer orders that do not execute because they were subject to anti-internalization ultimately receive the same execution price (or better) than they would have originally obtained if execution of the order was not inhibited by anti-internalization. Market Makers and other Users must not use the AGID modifier to evade the firm quotation obligation, as specified in IEX Rule 11.151(b). The AGID modifier must be used in a manner consistent with just and equitable principles of trade.

Regulation SHO. Users will be permitted to enter short sale orders, in accordance with the provisions of Regulation SHO of the Exchange Act.

Price Sliding. Based on Exchange system functionality and the price sliding process pursuant with Rule 11.190(h), a locked market will not be displayed by the Exchange with respect to orders to buy and orders to sell submitted to the Exchange. The Exchange will never cross its own Order Book. An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market will be ranked and displayed by the System at one (1) minimum price variant ("MPV") below the current NBO (for bids) or one (1) MPV above the current NBB (for offers) ("display-price sliding"). An order subject to display-price sliding will retain its limit price irrespective of the price at which such order is ranked and displayed. In the event the NBBO changes such that an order subject to display-price sliding would no longer lock or cross the Protected Quotation of an external market, the order will receive a new timestamp, and will be displayed and ranked at the most aggressive permissible price. Such orders may be re-priced once or multiple times, depending on changing market conditions and the order's limit price. The Exchange will not allow non-displayed orders to post on the Order Book or rank at prices more aggressive than the Midpoint Price ("Midpoint Price Constraint"). A non-displayed limit order posting to the Order Book which has a limit price more aggressive than the Midpoint Price is posted to the Order Book and ranked at a price equal to the Midpoint Price. The price at which the order is booked and ranked is automatically adjusted by the System in response to changes in the NBBO to be equal to the less aggressive of the order's limit price or the Midpoint Price of the NBBO.

Trading Increments. All securities will be traded in decimals on the Exchange. The actual minimum price increment for orders for securities listed or trading pursuant to UTP on the Exchange will be determined from time-to-time by the Board of Directors of the Exchange, consistent with any Commission rules or regulations adopted in this regard.

Audit Trail. The Exchange will maintain a full audit trail of every order submitted to the Exchange's System.

Display of Orders. All orders submitted to the Exchange will be displayed unless designated otherwise by the User submitting the order ("reserve orders" or "non-displayed orders"). Orders submitted to the Exchange for display shall be displayed on an anonymous basis at the price specified by the User submitting the order, pursuant to the price sliding process in proposed Rule 11.190(h). Reserve orders are orders with a portion of the quantity displayed ("display quantity") and with a non-displayed reserve portion of the quantity ("reserve quantity"). The User instructed display quantity must be equal to or greater than a round lot; the System will reject a reserve order with a User instructed display quantity less than a round lot. An incoming reserve order is first processed as a single order of its full, unexecuted share size as it checks the Order Book for eligible resting contra interest. If it is not fully executed, it will be posted to the Order Book and effectively be treated as two discrete orders: one displayed for the User instructed quantity ("displayed portion"), and one non-displayed for all other remaining, unexecuted shares ("non-displayed portion"). For the purposes of pricing reserve orders on the Order Book, displayed portions are treated as displayed orders and non-displayed portions are treated as non-displayed orders. Non-displayed orders will not be displayed to any User of the Exchange and will not have priority over displayed orders at the same price. In addition, the Exchange intends to become a participant in the Consolidated Quotation Plan ("CQ Plan") and Nasdaq-UTP 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, in accordance with the terms of the Plans.

Finally, to enhance transparency throughout the market, the Exchange intends to make its top of book quote and volume traded for any security traded on the Exchange available for viewing by any member of the public through the Exchange's web site.

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

Execution of Orders Submitted to Exchange's Order Book. Trades will occur when an order to buy and an order to sell match on the Exchange's Order Book. For any execution to occur during Regular Market Session, the price must be equal to or better than the Protected NBBO, unless the active order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS. For any execution to occur during the Pre-Market Session or the Post-Market Session, the price must be equal to or better than the highest Protected Bid or lowest Protected Offer, as determined by the System from all Top of Book information for away trading centers' quotations meeting the requirements defined in rules of Regulation NMS, pursuant to Rule 11.410, unless the active order is marked ISO or a Protected Bid is crossing a Protected Offer. Notwithstanding the above, in the event that a Protected Bid is crossing a Protected Offer, whether during or outside of the Regular Market Session, unless the active order is marked ISO, the Exchange will enforce the Crossed Market Collar pursuant to Rule 11.190(f)(3) and the price sliding process pursuant to Rule 11.190(h)(3). For any executions to occur during the Regular Market Session, such executions must comply with the Limit Up-Limit Down Plan, as set forth in Rule 11.280(e) and the price sliding process pursuant to Rule 11.190(h)(5). For any execution of a short sale order to occur on the Exchange when a short sale price test restriction is in effect, the price must be better than the NBB, unless the sell order was initially displayed by the System at a price above the then current NBB or is marked "short exempt" pursuant to Regulation SHO. Short sale orders are subject to the price sliding process pursuant to Rule 11.190(h)(4).

An incoming order will first attempt to be matched for execution against orders in the IEX Book. An order will be canceled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to an away trading center pursuant to Exchange Rule 11.230(b)(2), and cannot be posted to the Order Book.

An order to buy submitted to the Exchange's Order Book will be automatically executed by the Exchange's Order Book to the extent that it is priced at an amount that equals or exceeds any order to sell for the same security submitted to the Exchange's Order Book. Such order to buy shall be executed at the price of the lowest-priced order to sell having precedence on the Exchange's Order Book. All orders are matched according to price-display-time priority. An order to sell submitted to the Exchange's Order Book will be automatically executed by the Exchange's Order Book to the extent that it is priced at an amount that equals or is less than any order to buy for the same security submitted to the Exchange's Order Book. Such order to sell shall be executed at the price of the highest-priced order to buy having precedence on the Exchange's Order Book. Consistent with Rule 11.190, orders are permitted to post and rest on the Order Book at prices that lock contra-side liquidity at the Midpoint Price, provided, however, that the System will never display a locked market. Orders posted to the Order Book are subject to order execution Recheck ("Book Recheck").

Book Recheck. Upon a change to the Order Book, the NBBO, or as part of the processing of inbound messages, the System may invite orders on one or both sides of its market to become active and check against the contra side (i.e., become the remover of liquidity) of the Order Book to determine if new executions can occur as a consequence of the change in the Order Book or prevailing market conditions. Orders resting on the Order Book may be eligible to trade against other orders on the Order Book that were ineligible for execution, or did not satisfy the order's conditions (i.e. minimum quantity), when they were originally booked.

Rule 11.220 describes the priority given to orders at the same price. Non-displayed orders will have priority over orders at inferior prices, whether displayed or non-displayed, but will not have priority over orders displayed at equal or superior prices. Older orders – orders entering the Order Book first – will have priority over newer orders – orders entering after such older orders – at the same price with the same display. In the event that less than the full size of an order is executed, whether displayed or non-displayed, the unexecuted size of the order will continue to reside on the Exchange's Order Book, and if displayed, will continue to be displayed at and retain priority and precedence at the same price, unless the displayed portion was decremented less than one round lot. Displayed orders or displayed portions of reserve orders must be at least one round lot. If an order marked for display is submitted with, or decremented either by execution or the User order amendment to an order quantity of less than one round lot, it will be treated as a non-displayed order, as defined in Rules 11.190(b)(1)–(3).

Routing. Users may enter into agreements to use the routing services of IEXS, an affiliated broker-dealer of the Exchange, which will enable Users to access liquidity at away trading centers with the unexecuted portions of designated routable orders entered on the Exchange. In this capacity, the affiliated broker-dealer will act as an agent of the User. See Exhibit C and Exchange Rule 2.220 for further details regarding the affiliated router. Users will have no obligation, however, to utilize the order routing functionality provided by the Exchange's broker-dealer affiliate. Accordingly, Users can select other broker-dealers to provide order-routing functions or use their own internal order-routing systems.

Routing Process. With respect to an order that is eligible for routing, the System will designate outbound orders as IOCs and will cause such orders to be routed to one or more away trading centers (as defined in Rule 2.220) for potential execution in compliance with Rule 611 under Regulation NMS. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (a) Cancel the unfilled balance of the order back to the User; (b) post the unfilled balance of the order to the IEX Order Book, subject to the price sliding process as defined in Rule 11.190(h); (c) repeat the process described in in the Order Book execution process and this paragraph by executing against the IEX Order Book and/or routing orders to away trading centers until the original, incoming order is executed in its entirety or it is no longer marketable. If the order is not executed in its entirety, the System will cancel back to the User (in the case of an IOC, FOK, or market order) or post to the IEX Order Book and/or at an away trading center, as described in the routing options listed in Rule 11.230(c) or the paragraph below, the unfilled balance of the order; (d) notwithstanding the foregoing, to the extent the System is unable to access a Protected Quotation at the NBBO and there are no other accessible Protected Quotations at the NBBO, the System will post on the Order Book, subject to the price sliding process, or cancel, as per User instruction, the order or any remaining unexecuted shares, provided, however, that this provision will not apply to Protected Quotations published by an away trading center against which the Exchange has declared self-help pursuant to Rule 11.230(d). To the extent the unfilled balance of an order has been posted to the Order Book, should the booked limit price of the order subsequently be locked or crossed by an accessible away trading center, the System shall route the order, in part or in full, to such locking or crossing away trading center if instructed to do so by the User (the "re-sweep" behavior described in Rule 11.230(c)(5)).

Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and parameters, with the exception of order types and parameters whose terms are inconsistent with the terms of a particular routing option as described in Rule 11.190. An order eligible for routing must have a TIF of DAY, SYS, GTX, GTT, or IOC. The System will consider the quotations only of accessible markets, in particular those not subject to self-help pursuant to Rule 11.230(d). The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes to them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

Route to Take (a.k.a. "SweepPost"). After a Route to Take order trades with all available interest on the Order Book priced at or better than the NBBO, this routing option routes the remaining unexecuted shares as IOC orders to destinations based on the System routing table. If shares remain unexecuted after routing, they are posted on the Order Book or canceled, as per User instruction.

Route to Take with Re-sweep (a.k.a. "Router"). Route to Take with Re-sweep is functionally identical to Route to Take, with the exception that once posted after routing, the unexecuted portion of such an order is eligible to the re-sweep behavior described in Rule 11.230(c)(5), market conditions permitting.

Route to Rest (a.k.a. "SweepPost+"). After a Route to Rest order trades with all available interest on the Order Book priced at or better than the NBBO, this routing option routes the remaining shares as IOC orders to destinations based on the System routing table. If shares remain unexecuted after routing, all or a portion of remaining shares are posted on one or more destinations based on the System routing

table, which may include the Order Book, or are canceled, as per User instruction. Resting at away trading centers behavior is described in Rule 11.230(c)(6) and below.

Route to Rest with Re-sweep (a.k.a. "Router+"). Route to Rest with Re-sweep is functional identical to Route to Rest, with the exception that once posted after routing, the unexecuted portion of such order is eligible for the re-sweep behavior described in Rule 11.230(c)(5), market conditions permitting.

Re-sweep Behavior. Re-Sweep is a feature available to certain routing strategies described above that allows for a resting order to route to Protected Quotations when the resting order's limit price has been locked or crossed by the NBBO, IEX Rules permitting. If a resting order eligible for re-sweep has its booked limit price locked by the NBO (for buy orders) or NBB (for sell orders) for a minimum amount of time between 750 milliseconds and one (1) second, the System will route to the Protected Quotations at the locking NBO or NBB their full displayed size (or the remaining unexecuted shares on the order, if smaller). In the case that such resting order is a reserve order, the System will decrement first from the non-displayed portion, and then from the displayed portion. Any shares unexecuted will be returned to the Order Book, either incrementing the resting order, or re-posting the order to the Order Book, receiving a new timestamp as per Rule 11.220(a). This cycle may be repeated, the order being re-routed to away trading centers multiple times, until the order is fully executed or canceled, subject to the limit price of the order. If a resting order eligible for re-sweep has its booked limit price crossed by the NBO (for buy orders) or NBB (for sell orders), i.e., the NBO becomes lower than the limit price of a buy order, or the NBB becomes higher than the limit price of a sell order, for a minimum amount of time between 750 milliseconds and one (1) second, the System will route the entire order to away trading centers as per this IEX Rule 11.230. Any shares unexecuted will be re-posted to the Order Book, receiving a new timestamp as per Rule 11.220(a). This cycle may be repeated, the order being re-routed to away trading centers multiple times, until the order is fully executed or canceled, subject to the limit price of the order.

Route to Rest Behavior. If an order marked Route to Rest (with or without re-sweep) has unexecuted shares remaining after routing and the order parameters permit, the System will route the displayed portion as limit orders marked with a TIF of DAY to one or more destinations based on the System routing table, which may include the Order Book. The non-displayed portion of reserve orders will rest on the IEX Order Book. The total shares displayed on the Exchange and any away trading center will not exceed the maximum displayed size indicated by the User on the order received by the Exchange. When dividing the display quantity indicated by the User at order entry between destinations, the System will not create multiple odd lots or mixed lots. In the event that division by the number of destinations to be used would create an order size not evenly divisible by one round lot, the System will instead create round lot orders of unequal size as necessary, with the Exchange always receiving the larger displayed portion. When displayed shares posted on an away trading center are fully executed, the System will refresh such displayed shares by decrementing the order on the Exchange, first from the non-displayed portion (if the order is a reserve order), and then from displayed portion on the Exchange. When all shares on the away trading center are fully executed, the Exchange may remove all unexecuted shares from the Exchange and rest a displayed order on the away trading center. When all shares on the Exchange are fully executed, any shares remaining on an away trading center will be canceled from the away trading center and displayed on the Exchange. IEX will never post non-displayed interest on away trading centers, although depending on each away trading center's handling of orders decremented through execution to less than one round lot, a portion resting away may become non-displayed.

Equal Access. In executing orders submitted to the Exchange's Order Book, the Exchange will not distinguish between orders submitted by Users for their own accounts and orders submitted by Users for their customers. Unlike exchanges that conduct trading via a physical trading floor, all Exchange Users will submit orders to the Exchange from remote locations and have equal access to orders residing on the Exchange. Similarly, because orders on the Exchange will be executed automatically, no User of the Exchange will have the ability to control the timing of execution (other than to change or cancel an order prior to execution) or otherwise enjoy the type of special order handling advantages that may be available on the physical floor of an exchange. Moreover, as noted above, the general public will have access to view the best priced quotes and aggregate size of such orders at those prices on the Exchange's Order Book through the Exchange's web site.

Order Price Collars and Constraints. The Exchange will utilize the collars and constraints defined in Rule 11.190(f) in an effort to reduce the occurrences of erroneous trades. The collars and constraints include the following: Order Collar, Router Constraint, Crossed Market Collar, One-Sided Market Handling, and Zero Markets Handling.

Order Collar. The Exchange Order Collar, as described in 11.190(f)(1), prevents any incoming order or order resting on the Order Book, including those marked ISO, from executing at a price outside the Order Collar price range, i.e., prevents buy orders from trading at prices below the collar and prevents sell orders from trading at prices above the collar. The Order Collar price range is calculated using the numerical guidelines for clearly erroneous executions. Executions are permitted at prices within the Order Collar price range, inclusive of the boundaries. Any portion of a market order that would execute at a price beyond the Order Collar is canceled. Any remainder of a limit or pegged order that would execute at a price beyond the Order Collar is posted to the Order Book or canceled as per User instructions. Both displayed and non-displayed portions of limit orders or pegged orders may post on the Order Book at the Order Collar Price, but never more aggressive. Such orders may be re-priced to a compliant price within or at the Order Collar as the Order Collar price changes due to changing market conditions.

Router Constraint. The Exchange Router Constraint, as described in Rule 11.190(f)(2), prevents any order from routing at prices more aggressive than the Router Constraint price range. The Router Constraint price range is calculated using the numerical guidelines for clearly erroneous executions. Orders are permitted to route at prices within the Router Constraint price range, inclusive of the boundary. Any portion of an order that would have executed at a price more aggressive than the Router Constraint is canceled back to the User. While resting on the Order Book, routable orders are subject to the Order Collar, as defined in IEX Rule 11.190(f)(1). Any time a routable order would route at a price beyond the Router Constraint Price, the System will instead cancel the order back to the User.

Crossed Market Collar. As described in Rule 11.190(f)(3), In the event that a Protected Bid is crossing a Protected Offer, the System does not execute any portion of an active buy order at a price more than the greater of five cents ($0.05) or one half of a percent (0.5%) higher than the lowest Protected Offer, or any portion of an active sell order at a price more than the greater of five cents ($0.05) or one half of a percent (0.5%) lower than the highest Protected Bid, unless such order is marked ISO. To the extent an incoming order is eligible to execute against an order resting on the Order Book because a Protected Bid is crossing a Protected Offer, but such incoming order is eligible for routing and there is a Protected Bid or Protected Offer available at an away trading center that is better priced than the bid or offer against which the order would execute on the System, the System first seeks to route the order to such better priced quotation pursuant to IEX Rule 11.230(b). When an order posts to or is resting on the

Order Book while a Protected Bid is crossing a Protected Offer, the order will price slide in accordance with the price sliding process, pursuant to IEX Rule 11.190(h).

One-Sided Markets. Pursuant to Rule 11.190(f)(4), One-Sided Markets are markets which lack either a Protected Bid or a Protected Offer. In a One-Sided Market, non-displayed interest is handled in the following manner: (i) non-displayed interest entering the System will first test for marketable interest resting on the Order Book; routable non-displayed interest may route to Protected Quotations on the opposite side of the market; any unexecuted non-displayed interest will be unavailable to trade once it posts on the Order Book; (ii) Resting non-displayed interest on IEX is unavailable to trade; (iii) when a two-sided market returns, non-displayed orders become available at their relative priority. In a One-Sided Market, displayed interest is handled in the following manner: (i) when IEX receives displayable interest on the same side of the market as the Protected Bid or Protected Offer: (a) displayed interest marked IEX Only posts and displays at the most aggressive allowable price; (b) Routable displayable orders can route passively to rest on away trading centers with limit orders marked with a TIF of DAY (i.e., Route to Rest, pursuant to IEX Rule 11.230(c)(6)), but the router will not designate outbound orders with a TIF of IOC; (ii) when IEX receives displayable interest on the side of the market opposite a best Protected Quote: (a) displayed interest marked IEX Only is eligible to trade with interest that is present on the Exchange and will post any unexecuted shares, order instructions allowing, subject to displayed-price sliding, pursuant to Rule 11.190(h)(1); (b) for routable orders, the System will route the order consistent with Rule 11.230(b)(2).

Zero Markets. Zero Markets are markets in which neither a Protected Bid nor a Protected Offer exists. In a Zero Market, resting non-displayed interest is unavailable to trade. Non-displayed orders are not eligible to route when Zero Markets exist. When a Two-Sided Market returns, non-displayed orders become available at their relative priority and may route consistent with Rule 11.230(b)(2), if eligible for re-sweep. In a Zero Market, displayable interest will post and display at the most aggressive allowable price. Displayable orders can only route passively to rest on away trading centers (i.e. Route to Rest, pursuant to IEX Rule 11.230(c)(6)), if routable.

Clearly Erroneous Policy. The Exchange will have a policy that will permit it to address those instances in which transactions occurring on the Exchange involve clearly erroneous executions ("Clearly Erroneous Policy"). Under the Clearly Erroneous Policy, Users receiving an execution based on the entry of a buy or sell order that clearly was 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 User 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) Users. 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 Consolidated Tape Association Plan ("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 traded privileges pursuant to the provisions of that plan.

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

The Exchange currently does not propose to charge a fee for Exchange membership. The Exchange may, in the future, however, prescribe such reasonable dues, fees, and assessments or other charges as it may deem appropriate. Similarly, where there is no matching contra-side buy or sell order residing on the Exchange, Users entering orders on the Exchange's Order Book will not be assessed a fee. Users entering orders under such circumstances will, however, be charged a per share fee, payable to the Exchange on a monthly basis, for orders entered and later executed on the Exchange. There will not be a fee charged for changing or canceling an order prior to execution of such order. Exchange Users submitting buy or sell orders that execute against matching contra-side orders already residing on the Exchange will be charged a per share fee, payable to the Exchange on a monthly basis. The Exchange will not pay Users rebates for orders that execute, or otherwise. The Exchange may also charge a connectivity fee based on the number of ports utilized by the Access Participant. Exchange Access Participants will be solely responsible for all telecommunications costs and all other expenses incurred in linking to, and maintaining links to, the Exchange. Exchange Users will also be solely responsible for all execution fees charged by away trading centers; the Exchange will pass such fees incurred from orders routed to an away trading center through to Users. The Exchange may determine to revise or impose different fees upon its Access Participants from time-to-time. Any time the Exchange undertakes to impose or modify a due, fee, assessment, or other charge, such fee imposition or change will be subject to filing by the Exchange pursuant to Section 19 of the Exchange Act and Rule 19b-4 thereunder

5. Procedures for ensuring Member compliance with System usage guidelines:

The Exchange System contains embedded order entry and trade guidelines. All data representing a User's order must comply with these guidelines. Access Participants cannot override these embedded guidelines. With respect to technical standards, prior to allowing a new Access Participant to begin trading, the Exchange and the Access Participant will thoroughly test the Access Participant's connectivity. In addition, the Access Participant may enter orders in IEX's certification environment and may also enter orders for test securities on the Exchange to ensure compatibility with the Exchange's system protocol. An Access Participant may begin trading only after the Exchange is satisfied that both the User's hardware and software meet the Exchange's standards.

Access Participants 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. Hours of Operation

The Exchange will operate Monday to Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, or during any other day or time approved by the Board of Directors of the Exchange.

If the Commission approves IEX's Form 1 Application for Registration as a National Securities Exchange and IEX satisfies of any relevant conditions prior to operation, the Exchange will commence operations in a phased manner based on specific securities.

7. Exchange User Manual

As discussed above, Users 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. Users also may use third-party vendors to route orders to the Exchange via a front end or service bureau configuration. The User Manual will describe the Exchange's technical specifications and will provide Users, prospective Users and other Access Participants of the Exchange with additional information that the Exchange believes will be useful to such persons for trading on the Exchange.

Attached as Addendum E-1 is the IEX User Manual.

Attached as Addendum E-2 is the IEX FIX Specification.

Attached as Addendum E-3 is the IEX TOPS Specification.

Attached as Addendum E-4 is the IEX Transport Specification.

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.

This is inapplicable.

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General Provisions Applicable to Securities Listed and Traded Under Chapter 16 of the IEX Rules

To the extent not specifically addressed in the respective listing standards, the following general provisions apply to all securities listed and traded under Chapter 16 of the IEX Rules (the "securities"):

1. <u>Trading Rules</u>

The Exchange deems the securities to be equity securities, thus rendering trading in the securities subject to the Exchange's existing rules governing the trading of equity securities. The securities will trade on the Exchange during Regular Market Session, as well as during the Pre-Market Session and the Post-Market Session. The Exchange has appropriate rules to facilitate transactions in the securities during all trading sessions. The minimum price increment for quoting and entry of orders in equity

securities traded on the Exchange is $0.01, with the exception of securities that are priced less than $1.00 for which the minimum price increment for order entry is $0.0001.[1]

2. Information Circular

Prior to the commencement of trading, the Exchange will inform its Members in an Information Circular of the special characteristics and risks associated with trading the securities. Specifically, the Information Circular will discuss the following: (1) The procedures for purchases and redemptions of the securities (and/or that the securities are not individually redeemable); (2) Exchange Rule 3.170, which imposes suitability obligations on the Exchange Members with respect to recommending transactions in the securities to customers; (3) how information regarding the Intraday Indicative Value (and, if applicable, the Disclosed Portfolio with respect to series of Managed Fund Shares) is disseminated; (4) the requirement that Members deliver a prospectus to investors purchasing newly issued securities prior to or concurrently with the confirmation of a transaction; and (5) trading information.

In addition, the Information Circular will advise Members, prior to the commencement of trading, of the prospectus delivery requirements applicable to the securities. Members purchasing securities for resale to investors will deliver a prospectus to such investors. The Information Circular will also discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act.

In addition, the Information Circular will reference that the securities are subject to various fees and expenses described in the registration statement. If applicable, the Information Circular will also reference that the CFTC has regulatory jurisdiction over the trading of futures contracts.

The Information Circular also will disclose the trading hours of the securities and, if applicable, the Net Asset Value ("NAV") calculation time for the securities. The Information Circular will disclose that information about the securities and the corresponding indexes, if applicable, will be publicly available on the Web site for the securities. The Information Circular will also reference, if applicable, the fact that there is no regulated source of last-sale information regarding physical commodities, and that the

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[1] See, e.g., Rule 11.210. Regulation NMS Rule 612, Minimum Pricing Increment, provides:

a. No national securities exchange, national securities association, alternative trading system, vendor, or broker or dealer shall display, rank, or accept from any person a bid or offer, an order, or an indication of interest in any NMS stock priced in an increment smaller than $ 0.01 if that bid or offer, order, or indication of interest is priced equal to or greater than $ 1.00 per share.

b. No national securities exchange, national securities association, alternative trading system, vendor, or broker or dealer shall display, rank, or accept from any person a bid or offer, an order, or an indication of interest in any NMS stock priced in an increment smaller than $ 0.0001 if that bid or offer, order, or indication of interest is priced less than $ 1.00 per share.

c. The Commission, by order, may exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any person, security, quotation, or order, or any class or classes of persons, securities, quotations, or orders, if the Commission determines that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.

Commission has no jurisdiction over the trading of physical commodities or futures contracts on which the value of the securities may be based.

The Information Circular also will reference the risks involved in trading the securities during the Pre-Opening and After Hours Trading Sessions when an updated Intraday Indicative Value will not be calculated or publicly disseminate and, if applicable, the risks involved in trading the securities during Regular Market Session when the Intraday Indicative Value may be static or based in part on the fluctuation of currency exchange rates when the underlying markets have closed prior to the close of the Exchange's Regular Market Session.

3. Market Maker Accounts

A registered market maker in the securities described below must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading in:

- In the case of Commodity-Based Trust Shares, the applicable underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered market maker may have or over which it may exercise investment discretion (the "Underlying Commodities");
- In the case of Currency Trust Shares, the applicable underlying non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, which the registered market maker may have or over which it may exercise investment discretion (the "Underlying Currencies");
- In the case of Commodity Index Trust Shares, the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, which the registered market maker may have or over which it may exercise investment discretion (the "Underlying Commodity Index Assets");
- In the case of Commodity Futures Trust Shares, the applicable underlying commodity, related futures or options on futures, or any other related derivatives, which the registered market maker may have or over which it may exercise investment discretion (the "Underlying Commodity Futures");
- In the case of Partnership Units, the applicable underlying asset or commodity, related futures or options on futures, or any other related derivatives, which the registered market maker may have or over which it may exercise investment discretion (the "Underlying Partnership Unit Assets");
- In the case of Trust Units, the applicable underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered market maker may have or over which it may exercise investment discretion (the "Underlying Trust Unit Assets"); and
- In the case of Managed Trust Securities, the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, which a registered market maker may have or over which it may exercise investment discretion (the "Underlying Managed Trust Assets").

No registered market maker in the above mentioned securities shall trade in the respective Underlying Commodities, Underlying Currencies, Underlying Commodity Index Assets, Underlying Commodity Futures, Underlying Partnership Unit Assets, Underlying Trust Unit Assets, and/or the Underlying Managed Trust Assets (collectively, the "Underlying Assets") in an account in which a market maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to the Exchange.

In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.540), a registered market maker in the above mentioned securities is required to make available to the Exchange such books, records, or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable Underlying Assets as may be requested by the Exchange.

4. Surveillance

The Exchange represents that the trading in the Shares will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws. FINRA will surveil trading on the Exchange pursuant to a regulatory services agreement, and the Exchange is responsible for FINRA's performance under this regulatory services agreement. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

Pursuant to Exchange Rule 16.160(a)(6), with respect to securities traded under Chapter 16 of IEX Rules pursuant to unlisted trading privileges, the Exchange shall enter into a comprehensive surveillance sharing agreement with markets trading components of the index or portfolio on which shares of an exchange-traded product is based to the same extent as the listing exchange's rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets. FINRA, on behalf of the Exchange, may obtain information, and will communicate information as needed, regarding trading in the shares of the exchange-traded products, as well as in the underlying exchange-traded securities and instruments with other markets and other entities that are members of the Intermarket Surveillance Group ("ISG"). In addition, the Exchange may obtain information regarding trading in such shares and underlying securities and instruments from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA's Trade Reporting and Compliance Engine ("TRACE").

5. Trading Halts

With respect to trading halts, in addition to the halt requirements in the rules, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the securities. Trading in the securities may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the securities inadvisable. These may include: (1) The extent to which trading in the underlying asset or assets is not occurring; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in the securities will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" Rule 11.280 or by the halt or suspension of the trading of the current underlying asset or assets.

If the applicable Intraday Indicative Value, value of the underlying index, or the value of the underlying asset or assets (e.g., securities, commodities, currencies, futures contracts, or other assets) is not being disseminated as required, the Exchange may halt trading during the day in which such interruption to the dissemination occurs. If the interruption to the dissemination of the applicable Intraday Indicative Value, value of the underlying index, or the value of the underlying asset or assets persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the net asset value (or Disclosed Portfolio, as applicable) with respect to a series of securities is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value (or Disclosed Portfolio, as applicable) is available to all market participants.

With respect to securities traded under Chapter 16 of IEX Rules pursuant to unlisted trading privileges, Exchange Rule 16.170 provides that the Exchange will halt trading in such securities under the following circumstances:

(a) During Pre-Market Session. If the security begins trading on IEX in the Pre-Market Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value[2], IEX may continue to trade the security for the remainder of the Pre-Market Session.

(b) During Regular Market Hours. During the Regular Market Hours, if a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value[3], and the listing market halts trading in the security, IEX, upon notification by the listing market of a halt due to such temporary interruption, also shall immediately halt trading in the security on IEX.

(c) Post-Market Session and Next Trading Day.

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[2] Pursuant to Exchange Rule 16.170(c)(2) a required value shall mean (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in Rule 16.135, or Managed Trust Securities, as defined in Rule 16.111(j).

[3] *Id.*

(1) If an applicable Required Value[4] continues not to be calculated or widely disseminated after the close of the Regular Market Session, IEX may trade the security in the Post-Market Session only if the listing market traded the security until the close of its regular trading session without a halt.

(2) If an applicable Required Value[5] continues not to be calculated or widely disseminated as of the beginning of the Pre-Market Session on the next trading day, IEX shall not commence trading of the security in the Pre-Market Session that day. If an interruption in the calculation or wide dissemination of an applicable Required Value[6] continues, IEX may resume trading in the security only if calculation and wide dissemination of the applicable Required Value[7] resumes or trading in the security resumes in the listing market.

6. Suitability

Currently, Exchange Rule 3.170 governs Recommendations to Customers (Suitability). Prior to the commencement of trading of any inverse, leveraged, or inverse leveraged securities, the Exchange will inform its Members of the suitability requirements of Exchange Rule 3.170 in an Information Circular. Specifically, Members will be reminded in the Information Circular that, in recommending transactions in these securities, they must have a reasonable basis to believe that (1) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's other securities holdings, financial situation and needs, and (2) the customer can evaluate the risks of the recommended transaction and is financially able to bear the risks of an investment in the securities.

In addition, FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged, and inverse leveraged securities and options on such securities, as described in FINRA Regulatory Notices 09-31 (June 2009), 09-53 (August 2009) and 09-65 (November 2009) ("FINRA Regulatory Notices"). Members that carry customer accounts will be required to follow the FINRA guidance set forth in the FINRA Regulatory Notices. The Information Circular will reference the FINRA Regulatory Notices regarding sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged, and inverse leveraged securities and options on such securities.

The Exchange notes that, for such inverse, leveraged, and inverse leveraged securities, the corresponding funds seek inverse, leveraged, or inverse leveraged returns on a daily basis, and do not seek to achieve their stated investment objective over a period of time greater than one day because compounding prevents the funds from perfectly achieving such results. Accordingly, results over periods of time greater than one day typically will not be the inverse (-100%), a leveraged multiple (+200%), or a inverse leveraged multiple (-200%) of the period return of the applicable benchmark and may differ significantly from these multiples. The Exchange's Information Circular, as well as the applicable

[4] *Id.*
[5] *Id.*
[6] *Id.*
[7] *Id.*

registration statement, will provide information regarding the suitability of an investment in such securities.

In addition, FINRA has issued a regulatory notice providing guidance to firms about the supervision of complex products, as described in FINRA Regulatory Notice 12-03 (January 2012). While this FINRA Regulatory Notice does not provide a definition of what constitutes a "complex product," it does identify characteristics that may make a product "complex" for purposes of determining whether the product should be subject to heightened supervisory and compliance procedures.[8] Certain characteristics may raise issues similar to those raised in the FINRA Regulatory Notice. Therefore, the Exchange has represented that the Information Bulletin will state that Members that carry customer accounts should follow the FINRA Regulatory Notice with respect to suitability.

[8] *See* FINRA Regulatory Notice, at 3-4.

USER MANUAL

Version 1.00

Updated: August 20, 2015

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INTRODUCTION

This document provides information about the Investors' Exchange LLC ("IEX", the "System," or the "Exchange") and IEX Services LLC ("IEX Services"), which is the outbound routing broker for the Exchange. The Exchange and IEX Services are each wholly-owned by IEX Group, Inc.

Information contained in this document is subject to change at any time. For the latest updates, please refer to http://iextrading.com/.

How IEX Operates

The Exchange is a fully automated electronic limit order book for orders to buy and sell National Market System ("NMS") equity securities with a continuous, automated matching function. The Exchange also offers routing functionality through IEX Services with direct connectivity to all venues displaying Protected Quotations, as defined by Regulation NMS. Users connect to the System via FIX order entry gateways using the industry standard FIX 4.2 protocol, with IEX specific extensions. The order entry gateways validate incoming orders, convert them to an internal proprietary format, and forward them to the appropriate matching engine.

At the core of the System are several matching engines. Each matching engine handles a set of symbols, which can be reallocated to balance the load across the System. Each matching engine compares the limit price of an incoming order with the price of resting (i.e. booked) limit orders on the IEX Order Book and the price of other markets' displayed quotes. If the order is immediately marketable against the IEX Order Book, and there is interest available on the IEX Order Book at a price equal to or better than the consolidated quote, an immediate match is made and communicated back to Users. If another market is displaying a better quote, the order will be handled depending on the User's instructions (e.g., forwarded to the other market to attempt to fill the order, posted to the IEX Order Book, canceled, etc.).

Aggregate top of book market data is available via the IEX TOPS protocol. The Exchange also offers historical data through the IEX website.

Users or their clearing firms may request copies of their executions via drop copies using the IEX FIX protocol. Refer to the IEX FIX Specification for more details.

Technology

The trading platform is located in a CenturyLink data center (NJ2X) in Weehawken, NJ. Member, Service Bureau, Data Recipient and Extranet Provider connectivity into the Exchange may occur from an IEX POP (point of presence). IEX offers two POPs located in data centers in Secaucus, NJ operated by Equinix and Carteret, NJ operated by Verizon. The POP in Secaucus, NJ is the "primary" or "hot" POP, while the POP in Carteret, NJ is the "secondary" or "cold" POP. Each POP is designed to provide Users with 350 microseconds of latency from the POP to the primary trading platform.

All data centers the Exchange use provide a high level of security and availability through redundant and reliable environmental control systems (redundant power supplies, on-site backup generators, cooling systems, etc.). Data center personnel are available 24/7 to maintain and service the System.

The Exchange's trading platform is distributed across several servers to maximize throughput, minimize bottlenecks, and allow for simplified scalability. More servers can be added easily to expand system capacity.

ACCESS TO THE EXCHANGE

Membership Application

To become a Member of the Exchange a firm must:

- be registered as a broker-dealer;
- be a member of at least one other national securities exchange or national securities association;
- be able to clear trades or must clear through a clearing firm; and
- meet certain additional criteria prescribed by the Exchange and set forth in Chapter 2 of the Exchange's Rules.

The Exchange is available for order entry and execution by Members; non-Members may also gain access to the Exchange through a Sponsored Participant arrangement with a Sponsoring Member firm, in accordance with the Exchange's Rules. Membership and Sponsored Access applications and agreements are available on the Exchange's website.

The Exchange's data is available to Data Recipients with authorized access. The Data Agreement form is available on the Exchange's website, http://iextrading.com/.

For more information about becoming a Member, Sponsored Participant or Data Recipient, please contact IEX Market Operations at 646.343.2300 or marketops@iextrading.com.

Connectivity

Members of the Exchange and their Sponsored Participants (collectively, "Users") are permitted to electronically send orders to buy and sell securities traded on the Exchange through the use of the IEX FIX API. Users may also send orders through a Service Bureau.

Users are responsible for choosing and implementing connectivity to the primary IEX POP in Secaucus, NJ, to the secondary IEX POP in Carteret, NJ, and to the secondary data center in Chicago, Illinois. Users are strongly encouraged to establish connectivity to both IEX POPs and to the secondary data center to minimize service disruption in the event of an issue at one of the data centers.

IEX supports the following connectivity methods:

- Cross-Connect: Users that are co-located in an IEX POP or the Chicago data center may request an in-house cross-connect from the User's point of presence to IEX.
- Extranet Providers: IEX is currently on-network with various extranet providers. Refer to the IEX Connectivity Manual for a current list of approved extranet providers.
- Private Line Ethernet: Telecommunications carriers provide a circuit extension from Users in different data centers to an IEX POP or the Chicago data center. Refer to the IEX Connectivity Manual Carriers section for a list of carriers.

For more detailed information and instructions on how to connect to IEX, please refer to the IEX Connectivity Manual.

MARKET OPERATION

Order Types and Related Information

IEX accepts limit orders and market orders. By default, orders are limited to a maximum of 1,000,000 shares or $30,000,000.00.

Users may submit orders to the Exchange designated with modifiers such as IOC, FOK, Day, Good 'til Extended Day (GTX), System Hours (SYS), Good 'til Time (GTT), IEX Only, Pegged, Non-Displayed, Minimum Quantity, Routable, and/or Intermarket Sweep. Note that IEX Only order types will only execute/post on the Exchange. Note that this is a representative, but incomplete list of order types and modifiers.

Refer to Chapter 11 of the Exchange Rule Book for more information regarding order types, Investors' Exchange Rule Book.

Refer to the IEX FIX Specification for more details on how various order types are implemented.

Finally, additional information about order types is available on the Exchange's website.

Minimum Price Variation

The minimum price variation ("MPV") or minimum trading increment for orders priced $1.00 or greater is $0.01 and can be executed in increments of $0.005 (i.e., certain mid-point executions). Orders priced below $1.00 are eligible for trading in sub-penny increments of $0.0001.

Time in Force Values

The term Time in Force (TIF) determines the periods of time during which an order is available for potential execution and shall include:

- IOC – immediate-or-cancel
- FOK – an IOC order where the entire size must be filled, else the order will be canceled
- DAY – available for trading during the Regular Market Session
- GTX – available for trading during the Regular Market Session and Post-Market Sessions, and expires at the end of the Post-Market Session
- SYS – available for trading during System Hours, and expires at the end of the Post-Market Session
- GTT – expires at the earlier of specified expire time or end of the Post-Market Session

Routing

Users have the option, but are not required, to use the Exchange's affiliated broker-dealer, IEX Services, to route orders to markets other than the Exchange. IEX Only Orders are not routed to other markets. Users may submit orders to the Exchange designated with modifiers such as Route to Take with Re-sweep (a.k.a. Router), Route to Rest with Re-sweep (a.k.a. Router+), or Route to Take (a.k.a. SweepPost). Note that this is a representative, but incomplete list of routing strategies. Refer to specifications noted above for complete details on routing strategy availability.

Locking or Crossing the Market

Orders that would lock or cross the consolidated market (NBBO) are price slid by the System upon entry. Refer to Rule 11.190(h) of the Exchange Rule Book for more information regarding price sliding, Investors' Exchange Rule Book.

Throttles

No guarantee is made about system performance, especially during periods of high volatility and order traffic. IEX does maintain a message per second limit at which point new orders and modifies are queued at the order entry gateway. The throttle does not apply to cancels. This limit is subject to change at any time; contact IEX Market Operations for current limitations.

Trading

Trading Hours

Orders may be executed on the Exchange or routed away from the Exchange during the Pre-Market, Regular and Post-Market Sessions, collectively known as "System Hours."

Session	**Start and End Time** (all times are Eastern Time)
Begin Order Entry Acceptance	8:00 a.m.
Pre-Market Session	8:00 a.m. – 9:30 a.m.
Regular Market Session	9:30 a.m. – 4:00 p.m.
Post-Market Session	4:00 p.m. – 5:30 p.m.

Holiday Schedule

The Exchange will be closed in observance of the following holidays:

- New Year's Day
- Dr. Martin Luther King Jr. Day
- President's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas

When any such holiday falls on a Saturday or Sunday, the Exchange will follow the direction of the New York Stock Exchange ("NYSE") with respect to observing the holiday on an alternate weekday. The IEX Holiday Schedule is subject to change.

CLEARLY ERRONEOUS EXECUTIONS

Clearly Erroneous Executions are handled in accordance with Exchange Rule 11.270. The Exchange's rules are available at Investors' Exchange Rule Book.

CONTACT IEX

Website	http://iextrading.com/
Main Telephone Number	646.343.2000
Sales	646.343.2100 or subscriber@iextrading.com

Market Operations	646.343.2300 or marketops@iextrading.com
System Reliability Engineering	646.343.2200 or sre@iextrading.com
Network Operations	646.343.2245 or netops@iextrading.com
Pricing	http://iextrading.com/services/
Billing	646.343.2035 or accounting@iextrading.com
Mailing Address	Investors' Exchange LLC 4 World Trade Center 44th Floor New York, NY 10007

DATA CENTERS

Refer to the IEX Connectivity Manual.

REVISION HISTORY

Version	Date	Change
1.00	August 20, 2015	Initial Document

FIX SPECIFICATION

Version 1.00

Updated: August 20, 2015

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OVERVIEW

This specifications document outlines the format in which IEX Members should correctly format their FIX messages for order entry as well the expected format for execution and drop copy messages received back from IEX.

IEX supports FIX 4.2 as a base protocol, with IEX-specific modifications detailed in this specification.

It is assumed that the reader is familiar with the FIX 4.2 protocol as described at http://www.fixprotocol.org. This document describes the differences between the IEX implementation and the FIX 4.2 standard.

See the IEX Rule Book for functional details.

Hours of Operation

Refer to the Exchange website for the IEX holiday schedule.

Orders entered prior to the start of the Pre-Market Session will be rejected. Orders entered prior to the start of the Regular Market Session which are accepted and designated to begin trading in the Regular Market Session will be queued. Once the Regular Market Session begins, queued orders will be released to the book in time priority and will be eligible for matching. Refer to the IEX Regular Market Hours Opening Process in Exchange Rule 11.231 for more information.

Orders are rejected if they are received outside the hours IEX is available for trading. All orders remaining after the Post-Market Session will be cancelled automatically.

Session	**Start and End Time** (all times are Eastern Time)
Begin Order Entry Acceptance	8:00 a.m.
Pre-Market Session	8:00 a.m. – 9:30 a.m.
Regular Market Session	9:30 a.m. – 4:00 p.m.
Post-Market Session	4:00 p.m. – 5:30 p.m.
System Hours (trade matching and routing)	8:00 a.m. – 5:30 p.m.

FIX TAGS

This section lists the FIX tags and values supported while transacting with IEX.

Session FIX Tags

Header

Tag	Field Name	Details	Guidelines
8	BeginString	Identifies beginning of new message and protocol version 4.2. ALWAYS FIRST FIELD IN MESSAGE	

9	BodyLength	Message length, in bytes, forward to the CheckSum field. ALWAYS SECOND FIELD IN MESSAGE.	
35	MsgType	Defines message type. ALWAYS THIRD FIELD IN MESSAGE. Supported values: 0=Heartbeat 1=Test Request 2=Resend Request 3=Reject 4=Sequence Reset 5=Logout 8=Execution Report 9=Order Cancel Reject A=Logon D=Order Single F=Order Cancel Request G=Order Cancel/Replace Request UCC=IEX Trade Bust	
34	MsgSeqNum	Integer message sequence number.	
49	SenderCompID	IEX-assigned value used to identify firm sending message.	
52	SendingTime	Time of message transmission (always expressed in UTC (Universal Time Coordinated, also known as "GMT")).	YYYYMMDD-HH:MM:SS.sss sss=000-999 (indicating milliseconds)
56	TargetCompID	Members will target “IEXG”	

Trailer

Tag	Field Name	Details	Guidelines
10	CheckSum	Three byte, simple checksum. ALWAYS LAST FIELD IN MESSAGE; i.e., serves, with the trailing <SOH>, as the end-of-message delimiter. Always defined as three characters.	

Duplicate Messages

Tag	Field Name	Details	Guidelines
43	PossDupFlag	Indicates possible retransmission of message with this sequence number	Default: Not sent. Only required for resend messages (PossDup or PossResend)
97	PossResend	Indicates that message may contain information that has been sent under another sequence number.	

122	OrigSendingTime	Original time of message transmission (always expressed in UTC (Universal Time Coordinated, also known as "GMT") when transmitting orders as the result of a resend request.	

Order Transaction FIX Tags

FIX Standard Tags

Tag	Field Name	Details	Guidelines
1	Account	If sent by Member, this value will be echoed back in execution reports	Max length: 16 chars
11	ClOrdID	Unique identifier, per session, per trading day for Order as assigned by the Member	Max length: 20 chars
18	ExecInst	M=Midpoint Peg (executes on IEX) R=Primary Peg (executes on IEX) d=Discretionary Peg (executes on IEX) f=ISO (executes on IEX) i=IEX Only (also known as Standard) r=SweepPost+ (also known as Route to Rest) s=Router+ (a.k.a. Route to Rest with Resweep) t=SweepPost (a.k.a. Route to Take) u=Router (a.k.a. Route to Take with Resweep)	Only single values allowed See the IEX Rule Book for functional details.
21	HandlInst	1= Automated execution order, private, no Broker intervention	Required by FIX.
38	OrderQty	Number of shares ordered	1-10,000,000
40	OrdType	1=Market 2=Limit P=Pegged	Price (44) must be populated for [2]=Limit ExecInst (18) must be populated with [M]=Midpoint peg, [R] = Primary peg, or [d] = Discretionary peg for 40=P
41	OrigClOrdID	ClOrdID referencing the order to be cancelled or replaced	Max length: 20 chars

44	Price	Required for Limit Orders	The Minimum Price Variation ("MPV") for orders entered into the System shall be $0.01 for orders priced $1.00 or greater, and $0.0001 for orders priced below $1.00. Only valid for OrdType (40) of [2]=Limit or [P]=Peg
47	OrderCapacity	A=Agency P=Principal R=Riskless Principal	Option to default on a session level without needing to send per message
54	Side	Side of Order 1=Buy 2=Sell Long 5=Sell Short 6=Sell Short Exempt	LocateReqd (114) must be populated with [N] for [5]=Sell Short and [6]=Sell Short Exempt
55	Symbol	Ticker symbol	The entire symbol (root and suffix, if applicable) needs to be sent if using Nasdaq symbology. CMS symbology can be sent either via 55/65 combo or concatenated using 55 alone. Please consult Appendix A
58	Text	Free form text. Will not be processed and will not be echoed back on execution reports.	
59	TimeInForce	0=Day (Regular Market Session: 9:30am – 4:00pm) 3=IOC 4=FOK 5=Good 'til Extended Day (Regular + Post-Market Sessions: 9:30am – 5:30pm) 6=Good 'til Time (System Hours: 8:00am – 5:30pm) M=System Hours (System Hours: 8:00am – 5:30pm)	[0]=Day and Good 'til Extended Day Limit orders can be sent, and will be acknowledged, before the start of continuous trading at 9:30am, but will only be active starting 9:30am

			[4]=FOK not compatible with routable orders (18=r, s, t, u, v) [6]=Good 'til Time requires ExpireTime (126) All unexecuted orders at end of corresponding trading sessions will receive Unsolicited Cancels.
60	TransactTime	Time of order creation (expressed in UTC)).	YYYYMMDD-HH:MM:SS.sss sss=000-999
65	SymbolSfx	Additional information about the security (e.g., preferred, warrants, etc.).	Not available for Nasdaq format, available for CMS only. Please consult Appendix A.
110	MinQty	Minimum quantity size of an order to be executed.	Only available for IEX-only orders (18=f, i, M, R, d). Not valid for routable orders (18=r, s, t, u, v)
111	MaxFloor	Quantity to display on a reserve order.	Odd lot MaxFloors will be rejected. For Reserve orders: [1 Lot] ≤ Max Floor ≤ [OrderQty] A value of [0] indicates a non-displayed order. Omitting the MaxFloor (111) tag or submitting MaxFloor (111) = OrderQty (38) indicates a fully displayed order.
114	LocateReqd	Required for Sell Short and Sell Short Exempt orders. N=Locate not required	[N] is the only accepted valid value. Lack of (114) or values other than 114=[N] for Sell Short or Sell

			Short Exempt orders will be rejected.
115	OnBehalfOfCompID	IEX-assigned value used to identify firm sending message. Applicable for Service Bureau connections.	
126	ExpireTime	Required for GTT orders. Must be today's date with a valid value within the remaining trading time.	
7928	Anti-Internalization Group ID	2 character ID to prevent orders that share the same value from executing against each other. Requires Anti-Internalization to be enabled at the port level	Each character can be "0-9", "A-Z", "a-z". Case sensitive (i.e., 5B != 5b). "--" signifies "free-to-trade" (Anti-Internalization disabled for this order)
8484	Investor ID	Unique string per "investor" on whose behalf the Member is acting. Will not be echoed back on execution reports.	Max length: 20 chars
9500	MinQtyInstruction	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None	Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace
FIX Tags / Values from IEX Executions			
6	AvgPrice	Calculated average price of all fills on this order	
14	CumQty	Total number of shares filled	
17	ExecID	Unique identifier of execution message	Case sensitive alpha-numeric free format string. (i.e., ABC != abc). Can include any character or punctuation
19	ExecRefID	Referenced ExecID of execution to apply trade correction to	
20	ExecTransType	Identifies transaction type 0=New 1=Cancel	
30	LastMkt	Market of execution for last fill.	4 character code. See Appendix D.
31	LastPx	Price of this (last) fill.	

32	LastShares	Quantity of shares executed on this (last) fill.	
37	OrderID	Unique IEX Order ID	
39	OrderStatus	0=New 1=Partial fill 2=Fill 4=Canceled 5=Replace 6=Pending Cancel (e.g., result of Order Cancel Request) 8=Rejected E=Pending Replace (e.g., result of Order Cancel/Replace Request)	Identifies current status of order.
42	OrigTime	Indicates TransactTime (60) of original execution. Applicable for Trade Busts	
102	CxlRejReason	0=Too late to cancel 1=Unknown order 2=Exchange Option 3=Already Pending Cancel or Pending Replace	Code to identify reason for cancel rejection.
103	OrdRejReason	Code to identify reason for order rejection.	
128	DeliverToCompID	IEX-assigned value used to identify firm the message is intended for. Applicable for Service Bureau connections.	
150	ExecType	0=New 1=Partial fill 2=Fill 4=Canceled 5=Replace 6=Pending Cancel (e.g., result of Order Cancel Request) 8=Rejected E=Pending Replace (e.g., result of Order Cancel/Replace Request)	Describes the specific Execution Report (i.e., Pending Cancel) while OrdStatus will always identify the current order status (i.e., Partially Filled)
151	LeavesQty	Number of shares open for further execution.	
434	CxlRejResponseTo	1=Order Cancel Request 2=Order Cancel/Replace Request	Identifies the type of request that a Cancel Reject is in response to.
851	LastLiquidityInd	1=Added Liquidity 2=Removed Liquidity 3=Routed 9=Removed Liquidity on Recheck	Identifies source of execution and whether an execution on IEX resulted from liquidity provision or removal.
9730	TradeLiquidityIndicator	S=Self-matched trade which did not involve displayed liquidity SL=Self-matched trade which involved displayed liquidity L=Trade on IEX which involved displayed liquidity but did not self-match	To be used in conjunction with LastMkt(30) to determine trading costs. If LastMkt is a non-IEX market, this

		I=Trade on IEX which neither self-matched nor involved displayed liquidity [Passed through value from Market Centers if LastMkt is not IEX]	field will pass through the Indicator value sent by that market center.

MESSAGE TYPES

All messages below will be preceded by the standard FIX header and followed by the standard FIX trailer. **Bolded** text indicates required tags for the message type in question, unbolded text indicates optional tags.

Session Messages

Logon

The logon message authenticates a user establishing a connection to a remote system. Must always be initiated by Member to IEX.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**A**	
108	**HeartBtInt**	**Heartbeat interval in seconds**	**Low values (e.g., 30) are recommended**

Heartbeat

The Heartbeat monitors the status of the communication link and identifies when the last of a string of messages was not received.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**0**	

Test Request

The test request message forces a heartbeat from the opposing application.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**1**	
112	**TestReqID**	**Required when the heartbeat is the result of a Test Request message.**	

Resend Request

The resend request is sent by the receiving application to initiate the retransmission of messages. This function is utilized if a sequence number gap is detected, if the receiving application lost a message, or as a function of the initialization process.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**2**	
7	**BeginSeqNo**	**Message sequence number of first message in range to be resent**	
16	**EndSeqNo**	**Message sequence number of last message in range to be resent. If request is for a single message BeginSeqNo = EndSeqNo. If request is for all messages subsequent to a particular message, EndSeqNo = "0" (representing infinity).**	

Session Reject

The reject message should be issued when a message is received but cannot be properly processed due to a session-level rule violation.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**3**	
45	**RefSeqNum**	**MsgSeqNum of rejected message**	
373	**SessionRejectReason**	**Code to identify reason for a session-level Reject message.** **0=Invalid tag number** **1=Required tag missing** **2=Tag not defined for this message type** **3=Undefined Tag** **4=Tag specified without a value** **5=Value is incorrect (out of range) for this tag** **6=Incorrect data format for value** **7=Decryption problem** **8=Signature problem** **9=CompID problem** **10=SendingTime accuracy problem** **11=Invalid MsgType**	
58	Text		

Sequence Reset

The sequence reset message is used by the sending application to reset the incoming sequence number on the opposing side.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**4**	
36	**NewSeqNo**	**Next sequence number to expect**	
123	GapFillFlag	Indicates that the Sequence Reset message is replacing administrative or application messages which will not be resent. Y=Gap Fill Message, MsgSeqNum field valid	

Logout

The logout message initiates or confirms the termination of a FIX session.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**5**	
58	Text		

Trading Messages

Bolded text indicates required tags for the message type in question, unbolded text indicates optional tags.

Sent to IEX – Single Order

Market

Must be IOC or FOK, or, depending on the port setting elections applied by the Member, may have a TIF of DAY. Can be enriched with MinQty. Compatible with Routing. Not compatible with MaxFloor or ISO.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**D**	
11	**ClOrdID**	**Unique identifier, per session, per trading day for Order as assigned by the Member**	**Max length: 20 chars**
18	**ExecInst**	**i=IEX Only (a.k.a. Standard)** **t=SweepPost**	
21	**HandInst**	**Instructions for order handling. Required by FIX.** **Must always set to:** **1= Automated execution order, private, no Broker intervention**	
38	**OrderQty**	**Number of shares ordered**	**1-10,000,000**

40	**OrdType**	**1=Market**	
47	**OrderCapacity**	**A=Agency** **P=Principal** **R=Riskless Principal**	**Option to default on a session level without needing to send per message**
54	**Side**	**Side of Order** **1=Buy** **2=Sell Long** **5=Sell Short** **6=Sell Short Exempt**	**LocateReqd (114)=[N] must be populated for [5]=Sell Short and [6]=Sell Short Exempt**
55	**Symbol**	**Ticker Symbol**	**The entire symbol (root and suffix, if applicable) needs to be sent if using Nasdaq symbology. CMS symbology can be sent either via 55/65 combo or concatenated using 55 alone.** **Please consult Appendix A**
59	**TimeInForce**	**3=IOC** **4=FOK**	**[4]=FOK not compatible with routable orders (18=r, s, t, u, v)**
60	**TransactTime**	**Time of order creation expressed in UTC**	
1	Account		
58	Text		
65	SymbolSfx	Additional information about the security (e.g., preferred, warrants, etc.).	Not available for Nasdaq format, available for CMS only. Please consult Appendix A.
110	MinQty		Not compatible with FOK
114	LocateReqd	Required for Sell Short and Sell Short Exempt orders. N=Locate not required	[N] is the only accepted valid value. Lack of (114) or values other than 114=[N] for Sell Short or Sell Short Exempt orders will be rejected.

7928	Anti-Internalization Group ID	2 character ID preventing orders that share the same value from executing against each other. Requires Anti-Internalization to be enabled at the port level	Each character can be "0-9", "A-Z", "a-z". Case sensitive (i.e., 5B != 5b). "--" signifies "free-to-trade" (Anti-Internalization disabled for this order)
8484	Investor ID	Unique string per "investor" on whose behalf the Member is acting. Will not be echoed back on execution reports.	Max length: 20 chars
9500	MinQtyInstruction	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None	Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace

Limit

Can be enriched with MaxFloor, MinQty, or can be coded as an ISO (subject to guidelines below).

Tag	Field Name	Details	Guidelines
35	**MsgType**	**D**	
11	**ClOrdID**	**Unique identifier, per session, per trading day for Order as assigned by the Member**	**Max length: 20 chars**
18	**ExecInst**	**f=ISO (executes on IEX)** **i=IEX Only (a.k.a. Standard)** **r=SweepPost+ (also known as Route to Rest)** **s=Router+ (a.k.a. Route to Rest with Resweep)** **t=SweepPost (a.k.a. Route to Take)** **u=Router (a.k.a. Route to Take with Resweep)**	**[f]=ISO Not compatible with MinQty** **[f]=ISO only compatible with TIF of IOC**
21	**HandInst**	**Instructions for order handling. Required by FIX.** **Must always set to:** **1= Automated execution order, private, no Broker intervention**	
38	**OrderQty**	**Number of shares ordered**	**1-10,000,000**
40	**OrdType**	**2=Limit**	
44	**Price**	**The MPV for orders entered into the System shall be $0.01 for orders priced $1.00 or greater, and $0.0001 for orders priced below $1.00.**	
47	**OrderCapacity**	**A=Agency** **P=Principal**	**Option to default on a session level**

		R=Riskless Principal	without needing to send per message
54	Side	Side of Order 1=Buy 2=Sell Long 5=Sell Short 6=Sell Short Exempt	LocateReqd (114)=[N] must be populated for [5]=Sell Short and [6]=Sell Short Exempt
55	Symbol	Ticker Symbol	The entire symbol (root and suffix, if applicable) needs to be sent if using Nasdaq symbology. CMS symbology can be sent either via 55/65 combo or concatenated using 55 alone. Please consult Appendix A.
59	TimeInForce	0=Day (Regular Market Session: 9:30am – 4:00pm) 3=IOC 4=FOK 5=Good 'til Extended Day (Regular + Post-Market Sessions: 9:30am – 5:30pm) 6=Good 'til Time (System Hours: 8:00am – 5:30pm) M=System Hours (System Hours: 8:00am – 5:30pm)	[0]=Day orders can be sent, and will be acknowledged, before the start of continuous trading at 9:30am, but will only be active starting 9:30 [4]=FOK not compatible with routable orders (18=r, s, t, u, v) [6]=Good 'til Time requires ExpireTime (126) All unexecuted orders at end of corresponding trading sessions will receive

			Unsolicited Cancels.
60	**TransactTime**	**Time of order creation expressed in UTC**	
1	Account		
58	Text		
65	SymbolSfx	Additional information about the security (e.g., preferred, warrants, etc.).	Not available for Nasdaq format, available for CMS only. Please consult Appendix A.
110	MinQty		Only non-displayed orders (111=0) may have a MinQty Not compatible with ISO. Not compatible with FOK
111	MaxFloor	Quantity to display on a reserve order.	Not compatible with IOC or FOK.
114	LocateReqd	Required for Sell Short and Sell Short Exempt orders. N=Locate not required	[N] is the only accepted valid value. Lack of (114) or values other than 114=[N] for Sell Short or Sell Short Exempt orders will be rejected.
7928	Anti-Internalization Group ID	2 character ID preventing orders that share the same value from executing against each other. Requires Anti-Internalization to be enabled at the port level	Each character can be “0-9”, “A-Z”, “a-z”. Case sensitive (i.e., 5B != 5b). “--" signifies “free-to-trade” (Anti-Internalization disabled for this order)
8484	Investor ID	Unique string per “investor” on whose behalf the Member is acting. Will not be echoed back on execution reports.	Max length: 20 chars

9500	MinQtyInstruction	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None	Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace

Midpoint Peg

Non-displayed orders, ExecInst must be [M]=Midpoint Peg. Not compatible with ISO. Can be enriched with MinQty (subject to guidelines below).

Tag	Field Name	Details	Guidelines
35	**MsgType**	**D**	
11	**ClOrdID**	**Unique identifier, per session, per trading day for Order as assigned by the Member**	**Max length: 20 chars**
18	**ExecInst**	**M=Midpoint Peg (executes on IEX)**	
21	**HandInst**	**Instructions for order handling. Required by FIX. Must always set to: 1= Automated execution order, private, no Broker intervention**	
38	**OrderQty**	**Number of shares ordered**	**1-10,000,000**
40	**OrdType**	**P=Pegged**	
47	**OrderCapacity**	**A=Agency P=Principal R=Riskless Principal**	**Option to default on a session level without needing to send per message**
54	**Side**	**Side of Order 1=Buy 2=Sell Long 5=Sell Short 6=Sell Short Exempt**	**LocateReqd (114)=[N] must be populated for [5]=Sell Short and [6]=Sell Short Exempt**
55	**Symbol**	**Ticker Symbol**	**The entire symbol (root and suffix, if applicable) needs to be sent if using Nasdaq symbology. CMS symbology can be sent either via 55/65 combo or**

			concatenated using 55 alone. **Please consult Appendix A.**
59	**TimeInForce**	**0=Day (Regular Market Session: 9:30am – 4:00pm)** **3=IOC** **4=FOK** **6=Good 'til Time (System Hours: 8:00am – 5:30pm), but only accepted during the Regular Market Session**	**[0]=Day orders can be sent, and will be acknowledged, before the start of continuous trading at 9:30am, but will only be active starting 9:30** **[6]=Good 'til Time requires ExpireTime (126)** **All unexecuted orders at end of corresponding trading sessions will receive Unsolicited Cancels.**
60	**TransactTime**	**Time of order creation expressed in UTC**	
1	Account		
44	Price	The MPV for orders entered into the System shall be $0.01 for orders priced $1.00 or greater, and $0.0001 for orders priced below $1.00.	If price is not specified, will be constrained by internal IEX Order Collar
58	Text		
65	SymbolSfx	Additional information about the security (e.g., preferred, warrants, etc.).	Not available for Nasdaq format, available for CMS only. Please consult Appendix A.
110	MinQty		Only non-displayed orders (111=0) may have a MinQty

			Not compatible with ISO. Not compatible with FOK
114	LocateReqd	Required for Sell Short and Sell Short Exempt orders. N=Locate not required	[N] is the only accepted valid value. Lack of (114) or values other than 114=[N] for Sell Short or Sell Short Exempt orders will be rejected.
7928	Anti-Internalization Group ID	2 character ID preventing orders that share the same value from executing against each other. Requires Anti-Internalization to be enabled at the port level	Each character can be “0-9”, “A-Z”, “a-z”. Case sensitive (i.e., 5B != 5b). “--” signifies “free-to-trade” (Anti-Internalization disabled for this order)
8484	Investor ID	Unique string per “investor” on whose behalf the Member is acting. Will not be echoed back on execution reports.	Max length: 20 chars
9500	MinQtyInstruction	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None	Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace

Primary Peg

Non-displayed order, ExecInst must be [R]=Primary Peg. Not compatible with ISO. Can be enriched with MinQty (subject to guidelines below).

Tag	Field Name	Details	Guidelines
35	**MsgType**	**D**	
11	**ClOrdID**	**Unique identifier, per session, per trading day for Order as assigned by the Member**	**Max length: 20 chars**

18	ExecInst	R=Primary Peg (executes on IEX)	
21	HandInst	Instructions for order handling. Required by FIX. Must always set to: 1= Automated execution order, private, no Broker intervention	
38	OrderQty	Number of shares ordered	1-10,000,000
40	OrdType	P=Pegged	
47	OrderCapacity	A=Agency P=Principal R=Riskless Principal	Option to default on a session level without needing to send per message
54	Side	Side of Order 1=Buy 2=Sell Long 5=Sell Short 6=Sell Short Exempt	LocateReqd (114)=[N] must be populated for [5]=Sell Short and [6]=Sell Short Exempt
55	Symbol	Ticker Symbol	The entire symbol (root and suffix, if applicable) needs to be sent if using Nasdaq symbology. CMS symbology can be sent either via 55/65 combo or concatenated using 55 alone. Please consult Appendix A.
59	TimeInForce	0=Day (Regular Market Session: 9:30am – 4:00pm) 6=Good 'til Time (System Hours: 8:00am – 5:30pm), but only accepted during the Regular Market Session	[0]=Day orders can be sent, and will be acknowledged, before the start of continuous trading at 9:30am, but will only be active starting 9:30am [6]=Good 'til Time requires ExpireTime (126) All unexecuted orders at end of corresponding

			trading sessions will receive Unsolicited Cancels.
60	**TransactTime**	**Time of order creation expressed in UTC**	
1	Account		
44	Price	The MPV for orders entered into the System shall be $0.01 for orders priced $1.00 or greater, and $0.0001 for orders priced below $1.00.	If price is not specified, will be constrained by internal IEX Order Collar
58	Text		
65	SymbolSfx	Additional information about the security (e.g. preferred, warrants, etc.).	Not available for Nasdaq format, available for CMS only. Please consult Appendix A.
110	MinQty		Only non-displayed orders (111=0) may have a MinQty Not compatible with ISO. Not compatible with FOK
114	LocateReqd	Required for Sell Short and Sell Short Exempt orders. N=Locate not required	[N] is the only accepted valid value. Lack of (114) or values other than 114=[N] for Sell Short or Sell Short Exempt orders will be rejected.
7928	Anti-Internalization Group ID	2 character ID preventing orders that share the same value from executing against each other. Requires Anti-Internalization to be enabled at the port level	Each character can be “0-9”, “A-Z”, “a-z”. Case sensitive (i.e. 5B != 5b). “--” signifies “free-to-trade” (Anti-Internalization

			disabled for this order)
8484	Investor ID	Unique string per "investor" on whose behalf the Member is acting. Will not be echoed back on execution reports.	Max length: 20 chars
9500	MinQtyInstruction	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None	Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace

Discretionary Peg

Non-displayed order, ExecInst must be [d]=Discretionary Peg. Not compatible with ISO. Can be enriched with MinQty (subject to guidelines below).

Tag	Field Name	Details	Guidelines
35	**MsgType**	**D**	
11	**ClOrdID**	**Unique identifier, per session, per trading day for Order as assigned by the Member**	**Max length: 20 chars**
18	**ExecInst**	**d=Discretionary Peg (executes on IEX)**	
21	**HandInst**	**Instructions for order handling. Required by FIX. Must always set to: 1= Automated execution order, private, no Broker intervention**	
38	**OrderQty**	**Number of shares ordered**	**1-10,000,000**
40	**OrdType**	**P=Pegged**	
47	**OrderCapacity**	**A=Agency P=Principal R=Riskless Principal**	**Option to default on a session level without needing to send per message**
54	**Side**	**Side of Order 1=Buy 2=Sell Long 5=Sell Short 6=Sell Short Exempt**	**LocateReqd (114)=[N] must be populated for [5]=Sell Short and [6]=Sell Short Exempt**
55	**Symbol**	**Ticker Symbol**	**The entire symbol (root and suffix, if applicable) needs to be sent if using**

			Nasdaq symbology. CMS symbology can be sent either via 55/65 combo or concatenated using 55 alone. **Please consult Appendix A.**
59	**TimeInForce**	**0=Day (Regular Market Session: 9:30am – 4:00pm)** **3=IOC** **4=FOK** **6=Good 'til Time (System Hours: 8:00am – 5:30pm), but only accepted during the Regular Market Session**	**[0]=Day orders can be sent, and will be acknowledged, before the start of continuous trading at 9:30am, but will only be active starting 9:30** **[6]=Good 'til Time requires ExpireTime (126)** **All unexecuted orders at end of corresponding trading sessions will receive Unsolicited Cancels.**
60	**TransactTime**	**Time of order creation expressed in UTC**	
1	Account		
44	Price	The MPV for orders entered into the System shall be $0.01 for orders priced $1.00 or greater, and $0.0001 for orders priced below $1.00.	If price is not specified, will be constrained by internal IEX Order Collar
58	Text		
65	SymbolSfx	Additional information about the security (e.g., preferred, warrants, etc.).	Not available for Nasdaq format, available for CMS only. Please consult Appendix A.

110	MinQty		Only non-displayed orders (111=0) may have a MinQty Not compatible with ISO. Not compatible with FOK
114	LocateReqd	Required for Sell Short and Sell Short Exempt orders. N=Locate not required	[N] is the only accepted valid value. Lack of (114) or values other than 114=[N] for Sell Short or Sell Short Exempt orders will be rejected.
7928	Anti-Internalization Group ID	2 character ID preventing orders that share the same value from executing against each other. Requires Anti-Internalization to be enabled at the port level	Each character can be “0-9”, “A-Z”, “a-z”. Case sensitive (i.e., 5B != 5b). “--" signifies “free-to-trade” (Anti-Internalization disabled for this order)
8484	Investor ID	Unique string per “investor” on whose behalf the Member is acting. Will not be echoed back on execution reports.	Max length: 20 chars
9500	MinQtyInstruction	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None	Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace

Order Cancel / Replace Request

The only amendable properties of IEX orders are:

- Order Quantity (38)
- Price (44) (for Peg and Limit orders)
- MinQty (110)

Priced Peg orders and Limit orders may freely change their prices. Unpriced Peg orders may be amended to include a price. No priced orders, Limit or Peg, can be amended to remove the price.

If MinQty tag is not present IEX will preserve the original value for the order (no change to MinQty). MinQty=0 will remove the condition from the order altogether.

IEX accepts cancel requests for market orders and orders marked with a TIF of IOC or FOK, however amendments are rejected for these types of orders

The IEX OrderID (37) need not be referenced, as IEX will validate the order using ClOrdID (11) and OrigClOrdID (41).

All required FIX tags/values from original order need to be preserved and resent in the Cancel/Replace request, optional tags/values may be omitted.

Orders in a terminal state (fully executed, cancelled, rejected) may not be cancel/replaced.

All Cancel/Replace requests must happen in sequence. If IEX receives consecutive Cancel/Replace requests before the initial Cancel/Replace request can be processed, the subsequent requests will be rejected.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**G**	
11	**ClOrdID**	**Unique ID of cancel/replace request**	
18	**ExecInst**	**Must match original ExecInst**	
21	**HandInst**	**Instructions for order handling. Required by FIX. Must always set to: 1= Automated execution order, private, no Broker intervention**	
38	**OrderQty**	**Requested total shares for order to be amended to**	**Cannot be less than currently executed quantity**
40	**OrdType**	**Must match original OrdType**	
41	**OrigClOrdID**	**ClOrdID referencing the order to be replaced**	
47	**OrderCapacity**	**Must match original OrderCapacity**	
54	**Side**	**Must match original Side.**	
55	**Symbol**	**Must match original Symbol**	
59	**TimeInForce**	**Must match original TimeInForce**	
60	**TransactTime**	**Time of cancel/replace creation expressed in UTC**	
65	SymbolSfx	Must match original SymbolSfx, if applicable	
44	Price	Requested price for the order to be amended to	
110	MinQty	If MinQty tag is not present IEX will preserve original value for the order (no change to MinQty). MinQty=0 will remove the condition from the order altogether.	

Order Cancel Request

Tag	Field Name	Details	Guidelines
35	**MsgType**	**F**	
11	**ClOrdID**	**Unique ID of cancel request**	
38	**OrderQty**	**Must match original order quantity**	
41	**OrigClOrdID**	**ClOrdID referencing the order to be cancelled**	
54	**Side**	**Must match original side.**	
55	**Symbol**	**Must match original symbol**	
60	**TransactTime**	**Time of cancel/replace creation expressed in UTC**	
65	SymbolSfx	Must match original SymbolSfx, if applicable	

Received from IEX - Execution Report

In addition to the below fields common to all Execution Reports from IEX, please see sections below for Order Status specific fields.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**8=ExecutionReport**	
6	**AvgPrice**	**Calculated average price of all fills on this order**	
11	**ClOrdID**	**Will match confirmed ClOrdID of current order chain**	
14	**CumQty**	**Total number of shares filled**	
17	**ExecID**	**Unique identifier of execution message**	
18	**ExecInst**	**Will match original order**	
37	**OrderID**	**Unique IEX Order ID**	
38	**OrderQty**	**Will reflect last accepted value**	
40	**OrdType**	**Will match original order**	
47	**OrderCapacity**	**Will match original order**	
54	**Side**	**Will match original order**	
55	**Symbol**	**Will match original order**	
59	**TimeInForce**	**Will match original order**	
60	**TransactTime**	**Time of execution creation (in UTC)**	

151	**LeavesQty**	**Number of shares open for further execution.**	
1	Account	Will match original order	
44	Price	Will reflect last accepted value	
65	SymbolSfx	Will match original order	
110	MinQty	Will reflect last accepted value	
111	MaxFloor	Will match original order	
126	ExpireTime	Will match original order	

Pending New

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
39	**OrderStatus**	**A=Pending New**	
150	**ExecType**	**A=Pending New**	
151	**LeavesQty**	**OrderQty**	

Acknowledgment

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
39	**OrderStatus**	**0=New**	
150	**ExecType**	**0=New**	
151	**LeavesQty**	**OrderQty**	

Partially Filled

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
30	**LastMkt**	**Market of execution for last fill**	
31	**LastPx**	**Price of this (last) fill.**	
32	**LastShares**	**Quantity of shares executed on this (last) fill.**	

39	**OrderStatus**	**1=Partially Filled**	
150	**ExecType**	**1=Partially Filled**	
151	**LeavesQty**	**OrderQty - CumQty**	
9730	**TradeLiquidityIndicator**	**S=Self-matched trade which did not involve displayed liquidity** **SL=Self-matched trade which involved displayed liquidity** **L=Trade on IEX which involved displayed liquidity but did not self-match** **I=Trade on IEX which neither self-matched nor involved displayed liquidity** **[Passed through value from Market Centers if LastMkt is not IEX]**	
851	LastLiquidityInd	1=Added Liquidity 2=Removed Liquidity 3=Routed 9=Removed Liquidity on Recheck	Identifies whether an execution on IEX resulted from liquidity provision or removal.

Filled

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
30	**LastMkt**	**Market of execution for last fill**	
31	**LastPx**	**Price of this (last) fill.**	
32	**LastShares**	**Quantity of shares executed on this (last) fill.**	
39	**OrderStatus**	**2=Filled**	
150	**ExecType**	**2=Filled**	
151	**LeavesQty**	**0**	
9730	**TradeLiquidityIndicator**	**S=Self-matched trade which did not involve displayed liquidity** **SL=Self-matched trade which involved displayed liquidity** **L=Trade on IEX which involved displayed liquidity but did not self-match** **I=Trade on IEX which neither self-matched nor involved displayed liquidity** **[Passed through value from Market Centers if LastMkt is not IEX]**	

851	LastLiquidityInd	1=Added Liquidity 2=Removed Liquidity 3=Routed 9=Removed Liquidity on Recheck	Identifies source of execution and whether an execution on IEX resulted from liquidity provision or removal.

Canceled

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
31	**LastPx**	**0.00**	
32	**LastShares**	**0**	
39	**OrderStatus**	**4=Cancelled**	
41	**OrigClOrdID**	**ClOrdID used to identify the referenced order in cancel request.**	
150	**ExecType**	**4=Cancelled**	
151	**LeavesQty**	**0**	

Unsolicited Cancel

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
11	**ClOrdID**	**ClOrdID of the cancelled order.**	
31	**LastPx**	**0.00**	
32	**LastShares**	**0**	
39	**OrderStatus**	**4=Cancelled**	
41	**OrigClOrdID**	**ClOrdID of the cancelled order, used to identify the referenced order in cancel request.**	
150	**ExecType**	**4=Cancelled**	
151	**LeavesQty**	**0**	

Replaced

Tag	Field Name	Details	Guidelines

20	ExecTransType	0=New	
31	LastPx	0.00	
32	LastShares	0	
39	OrderStatus	5=Replaced	
41	OrigClOrdID	ClOrdID of the replaced order, used to identify the referenced order in replace request.	
150	ExecType	5=Replaced	
151	LeavesQty	OrderQty - CumQty	

Pending Cancel

Tag	Field Name	Details	Guidelines
20	ExecTransType	0=New	
31	LastPx	0.00	
32	LastShares	0	
39	OrderStatus	6=Pending Cancel	
41	OrigClOrdID	ClOrdID of the pending cancel order, used to identify the referenced order in cancel/replace requests.	
150	ExecType	6=Pending Cancel	
151	LeavesQty	OrderQty - CumQty	

Rejected

Tag	Field Name	Details	Guidelines
20	ExecTransType	0=New	
31	LastPx	0.00	
32	LastShares	0	
39	OrderStatus	8=Rejected	
103	OrdRejReason	Code to identify reason for order rejection.	
150	ExecType	8=Rejected	
151	LeavesQty	0	

Pending Replace

Tag	Field Name	Details	Guidelines
20	**ExecTransType**	**0=New**	
31	**LastPx**	**0.00**	
32	**LastShares**	**0**	
39	**OrderStatus**	**E=Pending Replace**	
41	**OrigClOrdID**	**ClOrdID of the pending replace order, used to identify the referenced order in cancel/replace requests.**	
150	**ExecType**	**E=Pending Replace**	
151	**LeavesQty**	**OrderQty - CumQty**	

Trade Bust

IEX currently supports Trade Busts via a custom message type "UCC" that can be enabled at the port level. Trade Busts do not alter live order state.

Tag	Field Name	Details	Guidelines
35	**MsgType**	**UCC**	
11	**ClOrdID**	**Will match original execution**	
17	**ExecID**	**Unique identifier of execution message**	
19	**ExecRefID**	**Referenced ExecID of execution to apply trade bust to**	
20	**ExecTransType**	**1=Cancel**	
31	**LastPx**	**Price on the original trade being cancelled**	
32	**LastShares**	**Quantity of shares on the original trade being cancelled**	
37	**OrderID**	**Will match original execution**	
42	**OrigTime**	**Indicates TransactTime (60) of original execution.**	
54	**Side**	**Will match original execution**	
55	**Symbol**	**Will match original execution**	
60	**TransactTime**	**Time of trade bust expressed in UTC**	
9730	**TradeLiquidityIndicator**	**Will match original execution**	
1	Account	Will match original order	
65	SymbolSfx	Will match original order	
851	LastLiquidityInd	1=Added Liquidity 2=Removed Liquidity 3=Routed	Identifies source of execution and whether an

		9=Removed Liquidity on Recheck	execution on IEX resulted from liquidity provision or removal.

Cancel Reject

Tag	Field Name	Details	Guidelines
35	**MsgType**	**9=OrderCancelReject**	
11	**ClOrdID**	**Will match cancel request**	
37	**OrderID**	**IEX Order ID, or "NONE" if this is an unknown order to IEX**	
39	**OrdStatus**	**OrdStatus value after this cancel reject is applied**	
41	**OrigClordID**	**ClOrdID of the referenced order which could not be cancelled**	
102	**CxlRejReason**	**0=Too late to cancel** **1=Unknown order** **2=Exchange Option** **3=Already Pending Cancel or Pending Replace**	
434	**CxlRejResponseTo**	**1=Order Cancel Request**	
1	Account	Will match original order	
58	Text	Reason for cancel reject	
65	SymbolSfx	Will match original order	

Replace Reject

Tag	Field Name	Details	Guidelines
35	**MsgType**	**9=OrderCancelReject**	
11	**ClOrdID**	**Will match cancel/replace request**	
37	**OrderID**	**IEX Order ID, or "NONE" if this is an unknown order to IEX**	
39	**OrdStatus**	**OrdStatus value after this cancel/replace reject is applied**	
41	**OrigClordID**	**ClOrdID of the referenced order which could not be replaced.**	
102	**CxlRejReason**	**0=Too late to cancel** **1=Unknown order** **2=Exchange Option** **3=Already Pending Cancel or Pending Replace**	
434	**CxlRejResponseTo**	**2=Order Cancel/Replace Request**	

1	Account	Will match original order	
58	Text	Reason for cancel/replace reject	
65	SymbolSfx	Will match original order	

DROP COPY

IEX will provide drop copies to another session specified by the Member. All execution report (35=8) messages from the original order entry line will be sent on the drop copy connection. In addition to the original execution report details, the drop copy messages will contain the below tags to help the Member identify the message sequence from the original order entry session.

Tag	Field Name	Details	Guidelines
109	**ClientID**	**4 Character MPID if original order was sent via Service Bureau session (i.e., ABCD). 4 Character MPID + 3 digit integer representing original SenderCompID if original order was sent via Direct connection (i.e., ABCD001)**	

APPENDIX A: SYMBOLOGY

Suffixes, when needed, are supported using 3 formats: 1) Tag 55 using Nasdaq Integrated 2) Tag 55 using CMS format (with SPACE delimited between the root and suffix) 3) Tag 55/65 using CMS format.

Security Categorization	NASDAQ Integrated	NASDAQ Example	CMS	CMS Concatenated Example	CMS 55/65 Example
Called	*		CL		
Class "A"	.A	55=AKO.A	A	55=AKO A	55= AKO 65=A
Class "A" Called	.A*		ACL		
Class "A" Convertible	.A%		ACV		
Class "A" When Issued	.A#		AWI		
Class “B”	.B		B		
Convertible	%		CV		
Convertible Called	%*		CVCL		
Emerging Company Marketplace	!		EC		
Partial Paid	@		PP		
Preferred	-	55=MTL-	PR	55=MTL PR	55=MTL 65=PR
Preferred "A" Called	-A*		PRACL		
Preferred "A" When Issued	-A#		PRAWI		
Preferred Called	-*		PRCL		
Preferred Class "A"	-A	55=ABR-A	PRA	55=ABR PRA	55=ABR 65=PRA
Preferred Class "A" Convertible	-A%		PRACV		
Preferred Class "A" When Distributed	-A$		PRAWD		
Preferred Class “B”	-B		PRB		
Preferred When Distributed	-$		PRWD		
Preferred When Issued	-#		PRWI		
Rights	^		RT		
Rights When Issued	^#		RTWI		
Test	~		TEST		

Units	=	55=GRP=	U	55=GRP U	55=GRP 65=U
Warrant When Issued	+#		WSWI		
Warrants	+		WS		
Warrants Class "A"	+A		WSA		
Warrants Class “B”	+B		WSB		
When Distributed	$		WD		
When Issued	#		WI		

APPENDIX B: COMMON CERTIFICATION ISSUES

- Not sending required tag ExecInst (18)
- IEX Market orders sent with a TIF (59) of GTT (only accepted TIFs are IOC, FOK, or DAY)
- Routable Market orders sent with a TIF (59) of Day, GTT, or FOK (only accepted TIF is IOC)
- Using Minimum Quantity (110) with any routing instructions
- Using Minimum Quantity (110) with FOK TIF (59)
- Midpoint Peg Order (18=M), Primary Peg Order (18=R), Discretionary Peg Order (18=d) sent without the value "P" sent in OrdType (40)
- ISO orders (18=f) with anything other than OrdType (40)=2(Limit) and TIF (59)=3(IOC)
- Not enabling case sensitivity for ExecID (17)

APPENDIX C: ORDER REJECT REASONS

Tag	Field Name	Details	Guidelines
103	OrdRejReason	0=Broker option 1=Unknown symbol 2=Exchange closed 5=Unknown Order	Code to identify reason for order rejection.
58	Text		Description of reason for order rejection, to be sent in conjunction with OrdRejReason (103)

APPENDIX D: LAST MARKET VALUES

Venue	LastMkt<30>
IEX	IEXG
American Stock Exchange	XASE
ARCA	ARCX
BATS BZX Exchange	BATS
BATS BYX Exchange	BATY
Boston Stock Exchange	XBOS
Chicago Stock Exchange	XCHI
Direct Edge EDGA Exchange	EDGA
Direct Edge EDGX Exchange	EDGX
NASDAQ	XNGS
National Stock Exchange	XCIS
Philadelphia Stock Exchange	XPHL
New York Stock Exchange	XNYS

REVISION HISTORY

Version	Date	Change
1.00	August 20, 2015	Initial Document

TOP OF BOOK QUOTE FEED (TOPS) SPECIFICATION

Version 1.00

Updated: August 20, 2015

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OVERVIEW

The Top of Book Quote Feed (TOPS) is a direct data feed product offered by IEX. TOPS provides IEX's aggregated best quoted bid and offer position in real-time for all securities on IEX's Order Book. Non-displayed orders and non-displayed portions of Reserve Orders are not represented in TOPS.

TOPS cannot be used to enter orders. For order entry, refer to the appropriate IEX FIX Specification.

For ordering information, contact IEX Market Operations at 646.343.2300 or marketops@iextrading.com

TRANSPORT PROTOCOL OPTIONS

For direct data feed subscribers, IEX provides TOPS using the IEX Transport Protocol (IEX-TP) on UDP multicast for sequenced delivery.

ARCHITECTURE

TOPS is made up of a series of sequenced messages. The messages that make up the TOPS feed are delivered using a lower level protocol that takes care of sequencing and delivery guarantees.

DATA TYPES

- String: variable length ASCII byte sequence, left justified and space filled on the right
- Long: 8 bytes, signed integer
- Price: 8 bytes, signed integer containing a fixed point number with 4 digits to the right of an implied decimal point
- Integer: 4 bytes, unsigned integer
- Byte: 1 byte, unsigned integer

All binary fields are in little endian format.

MULTICAST ADDRESSES

SITE	XC Type	Group	Port	Source IP Address
IEX POP Locations (Equinix NY5 & Verizon)	Primary (A)	233.215.21.1	16641	23.266.155.132
	Secondary (B)	233.215.21.129	16641	23.226.155.196

Disaster Recovery (Equinix CH4)	Primary (A)	233.215.21.127	16641	23.266.155.191
	Secondary (B)	233.215.21.254	16641	23.226.155.254

MESSAGE FORMATS

Quote Update Message

TOPS broadcasts a real-time update each time IEX's best bid or offer quote is updated during the trading day. If no quote exists, IEX publishes a "zero quote" where the Bid Price, Bid Size, Ask Price, and Ask Size will be zero (0). Unchanged and zero quotes are resent every 30 seconds as new messages by TOPS.

Field Name	Offset	Length	Type	Description/Notes
Message Type	0	1	Byte	'Q' (0x51) – Quote Update
Flags	1	1	Byte	See Appendix A for flag values
Timestamp	2	8	Long	Time stamp
Symbol	10	8	String	Quoted symbol
Bid Size	18	4	Integer	Aggregate quoted best bid size
Bid Price	22	8	Price	Best quoted bid price
Ask Price	30	8	Price	Best quoted ask price
Ask Size	38	4	Integer	Aggregate quoted best ask size

Total Message Data length is 42 bytes. See Appendix B for the bitwise representation.

Timestamp

The time of the top of book update as set by the IEX Trading System logic. The format of the timestamp is POSIX (Epoch) time stamp in nanoseconds.

Symbol

Quoted symbol represented in Nasdaq Integrated symbology.

Price

Price of the quote, where the whole number portion is zero filled on the left and the decimal portion is zero filled on the right. The decimal point is implied by position and does not explicitly appear in the field. For example, 123400 = $12.34.

Size

Size of the quote represented in number of shares.

APPENDIX A: FLAGS

Quote Update

Definition

Bit	Name	Description
0	H: Symbol Halt Flag	0: Symbol is active (available for trading) 1: Symbol is halted
1	P: Market Session Flag	0: Regular Market Session 1: Pre/Post-Market Session

Usage

H	P	Value	Meaning
		0x00	Symbol is active during Regular Market Session
	X	0x40	Symbol is active outside of Regular Market Session
X		0x80	Symbol is halted during Regular Market Session
X	X	0xc0	Symbol is halted outside of Regular Market Session

APPENDIX B: BITWISE REPRESENTATION

Quote Update Messages in a Single Segment

```
0                   1                   2                   3
 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+--------------
|                         Transport Header                      | B  1-4
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B  5-8
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B  9-12
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 13-16
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 17-20
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 21-24
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 25-28
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 29-32
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 33-36
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                         Transport Header                      | B 37-40
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|         Message Length        |  Message Type |P|H|  (Flags)  | B 41-44
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                           Timestamp                           | B 45-48
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                           Timestamp                           | B 49-52
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                             Symbol                            | B 53-56
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                             Symbol                            | B 57-60
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                            Bid Size                           | B 61-64
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+--------------
|                           Bid Price                           | B 69-72
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                           Bid Price                           | B 65-68
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                           Ask Price                           | B 73-76
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                           Ask Price                           | B 77-80
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                            Ask Size                           | B 81-84
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|         Message Length        |  Message Type |P|H|  (Flags)  | B 85-88
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                              ...                              | B 89-128
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+--------------
|                              ...                              | B 129+
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
```

REVISION HISTORY

Version	Date	Change
1.00	August 20, 2015	Initial document

TRANSPORT PROTOCOL (IEX-TP) SPECIFICATION

Version 1.00

Updated: August 20, 2015

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OVERVIEW

IEX's Transport Protocol (IEX-TP) is a transport-layer protocol that allows the transmission of data between systems.

IEX-TP is available via UDP multicast for efficient and scalable transmission of data messages in a "one-to-many" scenario. Currently, there is no mechanism for receivers to request missed packets.

IEX-TP is not available via TCP, but a lightweight point-to-point protocol will be made available at some undetermined point in the future.

UDP MULTICAST

When using IEX-TP via UDP multicast, each outbound segment is transmitted only once per sender regardless of the number of listeners. Multiple messages may also be aggregated into a single segment to reduce network traffic.

This document describes the messages sent between an IEX-TP server and its clients. IEX-TP senders transmit segments via UDP multicast to carry the data stream sent to the listeners, and the length of a segment will never exceed the length of the UDP data contents of a packet

IEX-TP servers will transmit on pre-assigned multicast groups for each messaging protocol on a network via A/B lines and A/B groups. Receivers must subscribe to either or both of the A/B multicast groups to receive data.

TERMS

Segment

A segment is a collection of messages of a specified messaging protocol, framed in such a way as to support reliable delivery. For UDP multicast, a segment is analogous to a packet.

Message

A message is an atomic piece of application information carried by an IEX-TP segment. The contents of a message are defined by the message protocol in use.

Session

A session is a sequence of one or more messages in a given protocol delineated by a unique Session ID. Once a session is terminated, no more messages can be sent on that session.

DATA TYPES

- Long: 8 bytes, signed integer

- Int: 4 bytes, unsigned integer
- Short: 2 bytes, unsigned integer
- Byte: 1 byte unsigned integer

All fields are in little endian format.

OUTBOUND SEGMENT FORMAT

Outbound segments are sent by sources to listeners. Each segment contains zero or more messages sent to listeners, described by the following IEX-TP Header.

Each segment consists of a header and a payload that carries the actual data stream represented as a series of Message Blocks.

IEX-TP Header

Field Name	Offset	Length	Type	Description/Notes
Version	0	1	Byte	Version of Transport specification
(Reserved)	1	1		Reserved byte
Message Protocol ID	2	2	Short	Unique identifier of the higher-layer protocol
Channel ID	4	4	Int	Identifies the stream of bytes/sequenced messages
Session ID	8	4	Int	Identifies the session
Payload Length	12	2	Short	Byte length of the payload
Message Count	14	2	Short	Number of messages in the payload
Stream Offset	16	8	Long	Byte offset of the data stream
First Message Sequence Number	24	8	Long	Sequence of the first message in the segment
Send Time	32	8	Long	Send time of segment

Total IEX-TP Header length is 40 bytes. See Appendix A for the bitwise representation.

Version

Version of IEX-TP protocol in use.

Message Protocol ID

A unique identifier for the specification which describes the messages contained within a segment.

Channel ID

An identifier for a given stream of bytes/sequenced messages. Messages received from multiple sources which use the same Channel ID are guaranteed to be duplicates by sequence number and/or offset.

Session ID

Session ID uniquely identifies a stream of messages produced by the System. A given message is uniquely identified within a message protocol by its Session ID and Sequence Number.

Stream Offset & Payload Length

Stream Offset is a signed binary counter representing the byte offset of the payload in the data stream.

Payload Length is an unsigned binary count representing the number of bytes contained in the segment's payload. Note: the Payload Length field value does not include the length of the Transport Header.

First Message Sequence Number & Message Count

First Message Sequence Number is a signed binary counter representing the sequence number of the first message in the segment. If there is more than one message in a segment, all subsequent messages are implicitly numbered sequentially.

Message Count is an unsigned binary count representing the number of Message Blocks in the segment.

Send Time

The time the outbound segment was sent as set by the sender. The format of the timestamp is a counter of nanoseconds since POSIX (Epoch) time UTC.

MESSAGE BLOCK FORMAT

The first field of a Message Block is the two byte Message Length field. The remainder of the Message Block is the variable length Message Data. The first Message Block field, Message Length, will begin after the last byte of the Header. Subsequent Message Blocks will begin after the last byte of the previous Message Block.

Message Block

Field Name	Offset	Length	Type	Description/Notes
Message Length	0	2	Short	Length of the message
Message Data	2	Variable		The message data

Message Length

The Message Length is an unsigned binary count representing the number of bytes in a message following the Message Length field. The Message Length field value does not include the two bytes occupied by the Message Length field. The total size of the Message Block is the value of the Message Length field plus two.

Message Data

The Message Data is the actual data of the message being transmitted by Transport. It is variable length and can be zero length. The meaning of the data is application specific.

HEARTBEATS

Heartbeats are sent by the server if no new messages have been sent in the preceding one second for the given protocol. A Heartbeat will contain the next byte within the stream for the Stream Offset, the sequence number of the next message for First Message Sequence Number, and 0 (zero) for both Payload Length and Message Count.

APPENDIX A: BITWISE REPRESENTATION

Segment with Two Message Blocks

```
0                   1                   2                   3
 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|     Version   |  (Reserved)   |      Message Protocol ID      |
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|                           Channel ID                          |
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|                           Session ID                          |
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|         Payload Length        |         Message Count         |
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|                         Stream Offset                         |
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                     Stream Offset (cont.)                     |
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|                 First Message Sequence Number                 |
+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|             First Message Sequence Number (cont.)             |
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|                           Send Time                           |
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|                       Send Time (cont.)                       |
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|         Message Length        |           (Msg Data)          | B 41-X
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+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+-+
|         Message Length        |           (Msg Data)          | B  X-Y
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REVISION HISTORY

Version	Date	Change
1.00	August 20, 2015	Initial document