



LIMIT UP/LIMIT DOWN AMENDMENT 12 ENHANCEMENTS

On November 20, 2017, Nasdaq, Nasdaq BX, Nasdaq PSX will implement changes as described in the twelfth amendment to the LULD Plan relating to how trading reopens after an LULD Trading Pause. Amendment 12 was created to harmonize the re-opening process amongst the exchanges, ensuring a consistent and standard re-opening process.

Auction Halt Periods will be Extended if Auction Re-opening Criteria are Not Met

A halt period will be extended if at least one of the following two conditions exists

- The auction price at which the most shares would be traded is outside the range of the pre-defined price threshold collars
- There is a market orders share imbalance

Price Collars will be Widened at the Start of Each 5-minute Halt

- The Price Collar Threshold will be widened by 5% of the price of the Price Band that triggered the Trading Pause, but only in the direction of the upper or lower band that invoked the Trading Pause. If a security does not re-open within the 5-minute halt period, the Price Collar Threshold will continue to be widened by that same initial amount in the direction of the imbalance
- Opposite-side side Price Collar will remain at the value that was in effect when the Trading Pause was invoked

Example:

Symbol XYZ goes into a Limit Down Trading Pause when the Price Bands are 90 x 110

- The lower Price Band price of \$90.00 becomes the reference price for the re-opening auction
- Lower auction price collar is calculated by subtracting 5% of the Reference price (4.50) from the Lower Price Band

The upper auction price collar remains at the Upper Price Band Auction price collars at the time of the initial LULD Pause:

- Upper auction price collar: 110
- Lower auction price collar: 85.50

Note: The dollar value of the initial adjustment remains constant. In this example, the adjustment of \$4.50 would be used each time the collars are adjusted, regardless of side.

Auction Time Extensions and Associated Conditions

- A security will remain halted for an initial 5-minute period
- If unable to open after the initial halt period. The stock will remain halted for an additional 5-minutes
- Subsequent halts may re-open at anytime within the 5-minute extension periods

Halt Extensions Modifications & Operational Halt Scenarios

- If the primary market is unable to open after 10 minutes and has not declared a Regulatory Halt, other exchanges cannot resume trading until the primary market itself re-opens trading
- If the primary market cannot re-open due to systems problems, trading can resume upon receipt of an LULD Price Band from the SIP, but no earlier than 10 minutes after the initial halt declaration

Halt Re-Openings After 3:50 PM

Any security that is in, or enters a LULD Pause at 3:50pm or later, will remain halted until the closing cross

Test Opportunities

Testing will be available Saturday, October 28, 2017 and Saturday, November 18, 2017