

## PHASE 2 Part 2 LULD Industry Testing Plans – the Close

**DATE: March 15<sup>th</sup> and 22<sup>nd</sup> 9:30 a.m. – 12:00 p.m., Eastern Time (ET)**

**LULD Price Bands will be in effect from 9:30 a.m. ET – 12:00 p.m. ET**

**Double wide bands will be in effect from 9:30 a.m. ET – 09:45 a.m. ET and from 11:35 a.m. – 12:00 p.m. ET.**

**The following symbols will be reserved for **NASDAQ testing ONLY**:**

NASDAQ
Greater than \$3 CAKE JMBA SCHL
Between \$0.75 and \$3 ABCD FREE OINK
Less than \$0.75 COOL IVAN PTSX

**\*\*Outside of the 9 symbols above industry participants may use any other NASDAQ listed symbols to conduct their independent testing\*\***

**Anticipated LULD Testing Scenarios:** (Please note the symbol referenced below “ZZZZ” is not a real symbol and is only a placeholder for the actual symbols that will be tested mentioned above)

Test 1 – Ensure smooth transition from narrow to wide bands occur. Prior to the doubling of the band at 11:35 a.m. bid 200 shares of ZZZZ and offer 400 shares of ZZZZ and leave on the book until bands have doubled.

Test 2 – Test to ensure that when a pause occurs in the last ten minutes and greater than five minutes remain that the halt persists for the full period until the scheduled close. An LULD pause will be caused in symbol ZZZZ at 11:51 a.m. and a close will be conducted at 12:00 p.m.

Test 3 - An LULD pause will be caused in ZZZZ at 11:49 a.m. and a regular LULD halt cross will occur at 11.54 a.m. Stock ABCD will reopen for trading and the closing cross will be conducted at 12 p.m. The NOCP will be reflected in that closing price.

Test 4 - An LULD pause will be caused in ZZZZ at 11:59 a.m. with five 1 minute market imbalance extensions caused by our NASDAQ's operations teams that will last until 16:04 before an LULD closing cross is conducted. ZZZZ's LULD closing cross at 16:04 will set the NOCP.

Test 5 - An LULD pause will be caused in ZZZZ at 11:59 a.m. and a closing cross will occur at 12:00 p.m.

Test 6 – An LULD pause will be caused in ZZZZ at 11:58 and due to market order imbalances is extended in one minute intervals until 1:00 p.m. at which time all orders are cancelled back and the NASDAQ's last sale publishes the NOCP in ZZZZ. This test is designed to simulate the occurrence of a halt that persist due to market imbalances until the cutoff which on a regular trading day is 5 PM.

Test 7 – An LULD pause will be caused in ZZZZ at 11:49 and due to market order imbalance is extended in one minute intervals and is unable to execute the halt cross prior to 12:00 p.m. NASDAQ will not conduct a closing cross in ZZZZ and all orders intended for the close will be cancelled back. The last sale on NASDAQ will set the NOCP. The security though remains halted until offset at 12:10 p.m. when the LULD halt cross is executed and that price will have no bearing on the NOCP.

**Note:** NASDAQ will attempt run these core scenarios during the testing day and may use more than one of the reserved symbols for conducting multiple tests. We encourage all testing participants to also try to run these scenarios in the names open for testing in order to ensure that expected results are encountered.