**PRE-TRADE RISK MANAGEMENT (PRM)**

Control Your Risk from Entry to Execution

NASDAQ OMX® Pre-Trade Risk Management (PRM) provides member firms the ability to set a wide range of parameters for orders to facilitate pre-trade protection. PRM allows firms to put controls on their trading activity and the trading activity of their clients and customers at the order level — including the opportunity to prevent potentially erroneous transactions. Using our intuitive PRM Risk Manager front-end, users can easily manage limits and review totals.

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<th>SPEED</th>
<th>ACCURACY</th>
<th>FLEXIBILITY</th>
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<td>PRM is fast — adding virtually no latency to order acknowledgement time.</td>
<td>PRM reads real-time Level 2 price information from the UTP and CTA SIPs at the port level to ensure the most accurate information available.</td>
<td>PRM is flexible enough to manage everything from price protection on retail or agency orders to full control of sponsored access relationships.</td>
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**AVAILABILITY**

**Markets**

|NASDAQ| BX| PSX|

**Protocols**

|RASH| OUCH| FIX| FIX Lite (Flite)|

**PORT-LEVEL PROTECTION**

PRM validates orders entered on PRM-enabled ports prior to allowing those orders into its matching engine. PRM uses client-set parameters to determine if the order should be sent for fulfillment. If rejected, it provides customers with clearly defined reject reasons.

**PRM COMPONENTS**

- **PRM-enabled Port** – Any FIX, RASH or OUCH port can be upgraded to a “PRM Port,” meaning all order flow sent over that port can be checked for limits, order types, etc. prior to being sent onto the NASDAQ matching engine.

- **PRM Module** – Set of settings that exist in the module. A module may include any combination of available checks: Fat Finger (FIX/Rash only), Order Checks and/or Aggregate Totals per market.

- **PRM Viewer** – An add-on to the NASDAQ Workstation allowing a managing firm to view and manage risk control settings, view real-time limit totals and reject messages.

- **Execution and Order DROP Copies**
**PROTECTION**

- **Fat Finger Checks**
  Set a percentage away from the National Best Bid or Offer (NBBO) that you’re willing to execute to fill your order. Firms can set order limits at several levels to ensure that clearly erroneous orders never execute.

- **Order Checks**
  Check orders against an array of manageable limits, including market sessions, order types and stock lists.

- **Aggregate Total Checks**
  Set limits for:
  - Daily shares and/or total value
  - Buy, sell or on a gross and/or net basis
  - Executed trades, open orders or both to summarize total risk
  - Settings available globally and on a per-security basis on each module

**More Information**

For more information on NASDAQ PRM, visit [www.nasdaqomxtrader.com/PRM](http://www.nasdaqomxtrader.com/PRM) or contact Scott Mullins at scott.mullins@nasdaqomx.com or +1 212 231 5524.