

*Participants at the best bid/best offer within NNMS. A Fill or Return order entered by an ITS/CAES Market Maker may trade through the quotation of an ITS Exchange if it is also designated as a Sweep Order.*

(7) [In addition, an order may be assigned the designations described below.] If the order is designated as "Pegged", the order (or unexecuted portion thereof) will be retained by NNMS and its price adjusted in response to changes in the Nasdaq inside market as directed by the entering party. Pegged orders may only be entered as "Day" orders. A Pegged Order will be cancelled if there is no displayable Quote/Order to which its price can be pegged. To maintain the capacity and performance of the NNMS, Nasdaq may at any time suspend the entry of Pegged Orders for all securities or for any security. Pegged orders that are in the NNMS at the time of such suspension will continue to be available for adjustment and execution. *Pegged Orders shall not be available for ITS Securities.*

(8) If the order is designated as "Discretionary", the order (or unexecuted portion thereof) shall be displayed in system, if appropriate, using the displayed price selected by the entering party, with the system also retaining a non-displayed discretionary price range within which the entering party is also willing to execute if necessary. A Discretionary Order may only be entered as a "Day" order. *A Discretionary Order in an ITS Security may not be preferenced to an ITS/CAES Market Maker or ITS Exchange, shall not result in a quote that locks or crosses the national best bid and offer and shall not be executed at a price that trades through the quotation of an ITS Exchange unless it is also designated as a Sweep Order.*

(9) If the order is designated as "Summary", the order, if marketable at the time of entry and receipt by NNMS, shall be rejected and returned to the entering party.

(10) *An order in an ITS Security may be designated as a "Sweep Order." A Sweep Order may be delivered to or executed by NNMS Participants at multiple price levels.*

(i) *A Sweep Order entered by an NNMS Order Entry Firm shall not trade through the quotation of an ITS Exchange. The system shall execute all shares available within the NNMS without trading through the quotation of an ITS Exchange, and shall reject the unexecuted portion of the Sweep Order back to the entering party.*

(ii) *A Sweep Order entered by an NNMS Quoting Market Participant may*

*trade through the quotation of an ITS Exchange. The system shall execute only against NNMS Participants.*

(11) *An order in an ITS Security may be designated as "Total Day" ("X") and may be entered between the hours 7:30 a.m. to 6:30 p.m. Eastern Time. If a priced X order is not immediately executable, the unexecuted order (or portion thereof) shall be retained by NNMS and remain available for potential display/execution until it is cancelled by the entering party, or until 6:30 p.m. Eastern Time on the day such order was submitted, whichever comes first, whereupon it will be returned to the sender.*

(12) *An order in an ITS Security may be designated as "Total Good-till-Cancelled" ("GTx"). If a GTx order (or unexecuted portion thereof) shall be retained by NNMS and remain available for potential display/execution until cancelled by the entering party, or until 1 year after entry, whichever comes first. GTx orders may be entered (or previously entered GTx orders cancelled) between the hours 7:30 a.m. to 6:30 p.m. Eastern Time.*

(13) *An order in an ITS Security may be designated as "Total Immediate or Cancel" ("IOX"). If a priced order designated as IOX is not immediately executable, the unexecuted order (or portion thereof) shall be returned to the sender. IOX orders may be entered beginning at 7:30 a.m. Eastern Time and are available for potential execution throughout any trading day (9:30 a.m. through 6:30 p.m. Eastern Time).*

(C) The system will not process a Non-Directed Order to sell short if the execution of such order would violate NASD Rule 3350 or, in the case of ITS Securities, SEC Rule 10a-1.

(D) Non-Directed Orders will be processed as described in Rule 4710.

(E) The NNMS shall not accept Non-Directed Orders that are All-or-None, or have a minimum size of execution.

(F) A NNMS Market Participant may enter a Non-Directed Order that is either a market order or a limit order prior to the market's open. Market orders and limit orders designated as Immediate or Cancel and limit orders designated as Total Immediate or Cancel orders shall be held in a time-priority queue that will begin to be processed by NNMS at market open. If an Immediate or Cancel limit order is unmarketable at the time it reaches the front of time-priority processing queue, it will be returned to the entering market participant. Limit orders that are not designated as Immediate or Cancel orders shall be retained by NNMS for potential display in conformity with Rule 4707(b) and/or

potential execution in conformity with Rule 4710(b)(1)(B).

(2) Entry of Non-Directed Orders by NNMS Order Entry Firms—In addition to the requirements in paragraph (a)(1) of this rule, the following conditions shall apply to Non-Directed Orders entered by NNMS Order-Entry Firms:

(A)(i) All Non-Directed orders in Nasdaq listed securities shall be designated as Immediate or Cancel, GTC or Day but shall be required to be entered as Non-Attributable if not entered as IOC. NNMS Order Entry Firms may also assign the order designations described in subparagraph (a)(1)(B). For IOC orders, if after entry into the NNMS of a Non-Directed Order that is marketable, the order (or the unexecuted portion thereof) becomes non-marketable, the system will return the order (or unexecuted portion thereof) to the entering participant.

(ii) *In ITS Securities, all Non-Directed orders shall be designated as Immediate or Cancel, GTC, Day, Total Immediate or Cancel, Total Day, or Total GTC but shall be required to be entered as Non-attributable if not entered as IOC or IOX. NNMS Order Entry Firms may also assign the order designations described in subparagraph (a)(1)(B). For IOC and IOX orders, if after entry into the NNMS of a Non-Directed Order that is marketable, the order (or the unexecuted portion thereof) becomes non-marketable, the system will return the order (or unexecuted portion thereof) to the entering participant.*

(B) A Non-Directed Order that is either a market or limit order may be entered prior to the market's open. Such limit and market orders will be held in a time-priority queue that will begin to be processed at market open. A limit order that is designated as IOC or, in the case of ITS Securities, IOX and is not marketable at the time it reaches the front of the time-priority processing queue will be returned to the entering participant.

(b) Directed Orders in Nasdaq-listed Securities. A participant may enter a Directed Order in a Nasdaq-listed security into the NNMS to access a specific Attributable Quote/Order displayed in the Nasdaq Quotation Montage, subject to the following conditions and requirements:

(1) Unless the Quoting Market Participant to which a Directed Order is being sent has indicated that it wishes to receive Directed Orders that are Liability Orders, a Directed Order must be a Non-Liability Order, and as such, at the time of entry must be designated as:

(A) An "All-or-None" order ("AON") that is at least one normal unit of