



LEERINK SWANN

Trading Practices

Indications of Interest

Definition

An indication of interest, otherwise referred to as an “IOI”, is a sales message sent from a broker-dealer over the Financial Information Exchange (“FIX”) protocol to institutional customers reflecting an indication of interest to either buy or sell securities. These messages typically are used to solicit institutional trading business and contain the security names, prices and share amounts the broker-dealer seeks to transact during a defined period on a particular day.

Generic IOI:

The most basic format for an IOI message used by Leerink Swann is typically referred to as a “generic” or “general” IOI. These messages represent a general expression by Leerink Swann that it is looking to transact business in a specified security or securities and are generally understood to be good until the end of the current trading day. A generic or general IOI message usually contains basic information such as “symbol”, side (buy/sell), and an indication of the general size in which the broker dealer is interested in transacting business (small, medium and large).

Super IOI:

A Super IOI message contains more information than a generic or general IOI and typically has a shorter life span. Super IOI messages used by Leerink Swann typically include a specific price and a specified number of shares. In addition, unlike the generic or general IOI message, a “Super” IOI message is typically active for only a short amount of time, usually a few minutes. While there is no obligation to do so, Leerink Swann will generally honor the price and size parameters set forth in their Super IOI message if contacted by one of its institutional customer within the specified life of the message.

Natural IOI

Leerink uses the term “natural” IOI to represent: 1. interest of a customer order already in hand; 2. an indication of interest (as opposed to an order) from an institutional customer; 3. interest for the broker-dealer’s own account on a proprietary or principal basis or as a result of facilitation; or 4. any combination of the interest described above. Regardless of the nature of the interest, a “natural” from Leerink represents a commitment for the subject shares in accordance with standard market practices, and if contacted within the appropriate time.