

### Stop Limit Order

#### Up Trigger Limit Order

Mr. Chan wants 100 shares of ABCD, which is currently trading at \$100 per share. He would like to buy ABCD as soon as the price reaches \$105 (the activation price), but he does not want to pay more than \$108 per share. His order will be activated when the ask price reaches or goes above \$105. At this point the order becomes a limit order to buy 100 shares of ABCD for \$108 or better.

#### Down Trigger Limit Order

Mr. Chan own 100 shares of ABCD, which is currently trading at \$100 per share. He would like to sell ABCD as soon as the price drops to \$95 (the activation price), but he does not want to sell for less then \$92. His order will be activated when the bid price reaches or goes below \$95. At this point the order becomes a limit order to sell 100 shares of ABCD for \$92 or better.