

Additions underscored
Deletions [bracketed]

NYSE Rules

Rule 86. NYSE BondsSM

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(b) Applicability and Definitions.

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(2) Definitions. As used in this rule and other rules in their application to NYSE Bonds, the following terms shall have the meanings specified below:

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(D) “NYSE Bonds Good `Til Cancelled Order” (“NYSE Bonds GTC Order”) is a NYSE Bonds Limit Order or a NYSE Bonds Reserve Order identified as “good `til cancelled” in the manner required by the Exchange, that remains in effect until it is executed or cancelled. Such order will participate in the Core Bond Auction and the Core Bond Trading Session only. Such order will participate in the Core Bond Auction if entered before commencement of the Core Bond Auction at [9:30] 8:00 a.m. ET, and if not executed in the Core Bond Auction will automatically participate in the Core Bond Trading Session, unless such order is cancelled. If such order is entered after commencement of the Core Bond Auction it will participate in the Core Bond Trading Session, unless such order is cancelled. A designation of this order for any other trading session but the Core Bond Trading Session will be disregarded, and the order will be treated as an order designated for the Core Bond Trading Session, unless such order is cancelled.

(E) “NYSE Bonds Day Order” is a NYSE Bonds Limit Order or a NYSE Bonds Reserve Order which, if not executed or cancelled, expires at the end of the trading session(s) for which it was designated, on the day on which it was entered. Bond orders not specifically designated as “day” or “good `til cancelled” will be handled as NYSE Bonds Day Orders. An NYSE Bonds Day Order not designated for a particular trading session will participate in the Core Bond Auction and the Core Bond Trading Session only. Such order will participate in the Core Bond Auction if entered before commencement of the Core Bond Auction at [9:30] 8:00 a.m. ET, and if not executed in the Core Bond Auction will automatically participate in the Core Bond Trading Session, unless such order is cancelled. If

such order is entered after commencement of the Core Bond Auction it will participate in the Core Bond Trading Session, unless such order is cancelled.

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(i) Bond Trading Sessions. NYSE Bonds has three (3) Bond Trading Sessions. Orders may be entered from 3:30 a.m. ET until 8:00 p.m. ET, and must be designated for participation in one or more of these trading sessions. If an order is not so designated, it will be available for trading in the Core Bond Auction and the Core Bond Trading Session only. Such order will participate in the Core Bond Auction if entered before commencement of the Core Bond Auction at [9:30] 8:00 a.m. ET, and if not executed in the Core Bond Auction will automatically participate in ordinary trading in the Core Bond Trading Session, unless such order is cancelled. If such order is entered after commencement of the Core Bond Auction it will participate in the Core Bond Trading Session, unless such order is cancelled.

(1) Opening Bond Trading Session.

(A) The Opening Bond Trading Session commences with the Opening Bond Auction at 4:00 a.m. Eastern Time (“ET”) and concludes at [9:30] 8:00 a.m. ET with the Core Bond Auction.

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(2) Core Bond Trading Session.

(A) The Core Bond Trading Session commences with the Core Bond Auction at [9:30] 8:00 a.m. ET and concludes at [4] 5:00 p.m. ET.

(B) Order Submission: Orders designated for the Core Bond Trading Session and entered into NYSE Bonds before [9:30] 8:00 a.m. ET will first participate in the Core Bond Auction and if not executed will participate in ordinary trading in the Core Bond Trading Session, unless such orders are cancelled.

(3) Late Bond Trading Session.

(A) The Late Bond Trading Session commences at [4] 5:00 p.m. ET and concludes at 8:00 p.m. ET.

(B) Order Submission: Orders designated for the Late Bond Trading Session and entered in NYSE Bonds before [4] 5:00 p.m. ET and until 8:00 p.m. ET will participate in ordinary trading in the Late Bond Trading Session, unless such orders are cancelled.

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(1) Bond Auctions. NYSE Bonds will have two (2) Bond Auctions each day the Exchange is open for business, unless otherwise determined by the Exchange. The Opening Bond Auction occurs at the beginning of the Opening Bond Trading Session, and the Core Bond Auction occurs at the beginning of the Core Bond Trading Session. A Bond Auction will occur when at least one order to sell and one order to buy the particular bond have been entered into NYSE Bonds and such order is marketable (i.e., the price of a bond order to buy is equal to or greater than the price of a bond order to sell). If no marketable orders in a particular bond are entered into NYSE Bonds prior to the commencement of an Auction, such Auction will not occur and any existing orders will be available only for ordinary trading in the designated Bond Trading Session(s). During a Bond Auction orders in the system will be matched and executed at the IMP based on price-time priority.

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(2) Core Bond Auction. The Core Bond Auction occurs at the beginning of the Core Bond Trading Session.

(A) Order Submission. Orders designated for the Core Bond Trading Session and submitted from 3:30 a.m. ET and before commencement of the Core Bond Auction at [9:30] 8:00 a.m. ET will participate in the Core Bond Auction, unless such orders are cancelled.

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(C) At [9:30] 8:00 a.m. ET, orders eligible for participation in the Core Bond Auction as described in Section (1) (2)(A) above, will be matched and executed in the Core Bond Auction at the IMP based on price-time priority.

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Rule 88. Bonds Liquidity Providers

(a) Bonds Liquidity Provider. A “Bonds Liquidity Provider” (“BLP”) is a member organization that electronically enters orders from off the Floor of the Exchange into the NYSE BondsSM (“NYSE Bonds”) trading system. To be eligible for the financial incentive for a bond as set forth in paragraph (b) below, a BLP must maintain in accordance with paragraph (f) below:

(1) a bid at least seventy percent (70%) of the [trading day] Core Bond Trading Session for such bond;

(2) an offer at least seventy percent (70%) of the [trading day] Core Bond Trading Session for such bond; and

- (3) a bid or offer at the Exchange's Best Bid ("BB") or Exchange's Best Offer ("BO") at least five percent (5%) of the [trading day] Core Bond Trading Session for all of its bonds in the aggregate.

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(f) Calculation of Quoting Requirements.

- (1) A BLP's 70% quoting requirement is calculated by determining the average percentage of time a BLP is at a bid (offer) in each of its BLP bonds during the [regular trading day] Core Bond Trading Session on a daily and monthly basis. The Exchange shall determine whether a BLP has met this requirement by calculating the following:
- (A) the "Daily Bid Quoting Percentage" is calculated by determining the percentage of time a BLP has at least 10 displayed BLP bonds in an Exchange bid during each [trading day] Core Bond Trading Session for a calendar month;
 - (B) the "Daily Offer Quoting Percentage" is calculated by determining the percentage of time a BLP has at least 10 displayed BLP bonds in an Exchange offer during each [trading day] Core Bond Trading Session for a calendar month;
 - (C) the "Monthly Average Bid Quoting Percentage" is calculated for each BLP bond by summing the bond's "Daily Bid Quoting Percentages" for each [trading day] Core Bond Trading Session in a calendar month then dividing the resulting sum by the total number of [trading days] Core Bond Trading Sessions in such calendar month;
 - (D) the "Monthly Average Offer Quoting Percentage" is calculated for each BLP bond by summing the bond's "Daily Offer Quoting Percentage" for each [trading day] Core Bond Trading Session in a calendar month then dividing the resulting sum by the total number of [trading days] Core Bond Trading Sessions in such calendar month.
 - (E) Only displayed orders entered throughout the [trading day] Core Bond Trading Session shall be used when calculating whether a BLP is in compliance with its 70% average quoting requirements.
- (2) A BLP's 5% quoting requirement is calculated by determining the average percentage of time a BLP is at the BB or BO in each of its BLP bonds during the [regular trading day] Core Bond Trading Session on a daily and monthly basis, as follows:
- (A) the "Daily BB Quoting Percentage" is calculated by determining the percentage of time a BLP has at least one displayed BLP bond in an Exchange

bid at the BB during each [trading day] Core Bond Trading Session for a calendar month;

(B) the “Daily BO Quoting Percentage” is calculated by determining the percentage of time a BLP has at least one displayed BLP bond in an Exchange offer at the BO during each [trading day] Core Bond Trading Session for a calendar month;

(C) the “Daily BBO Quoting Percentage” is calculated for each [trading day] Core Bond Trading Session by summing the “Daily BB Quoting Percentage” and the “Daily BO Quoting Percentage” in each BLP bond; and

(D) the “Monthly Average BBO Quoting Percentage” is calculated for each BLP bond by summing the bond’s “Daily BBO Quoting Percentages” for each [trading day] Core Bond Trading Session in a calendar month then dividing the resulting sum by the total number of [trading days] Core Bond Trading Sessions in such calendar month.

(E) Only displayed orders at the BB and BO throughout the [trading day] Core Bond Trading Session shall be used when calculating whether a BLP is in compliance with its 5% average quoting requirement.

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