

Additions: Underlined

Deletions: [Bracketed]

Rules of the New York Stock Exchange LLC

Rule 86. NYSE BondsSM

Rule 87. Bond Trading License

(a) Notwithstanding the requirements of Rule 300, the Exchange may issue a bond trading license ("BTL") that permits a member organization to effect debt transactions on the Exchange or through any facility thereof. An organization may acquire and hold a BTL only if and for so long as such organization is qualified and approved to be a member organization of the Exchange. A BTL is not transferable and may not be, in whole or in part, transferred, assigned, sublicensed or leased; provided, however, that the holder of the BTL may, with the prior written consent of the Exchange, transfer a BTL to a qualified and approved member organization (i) that is an affiliate or (ii) that continues substantially the same business of such BTL holder without regard to the form of the transaction used to achieve such continuation, e.g., merger, sale of substantially all assets, reincorporation, reorganization or the like. The price per BTL shall be published in the Exchange's price list.

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 for such bond;
- (2) an offer at least seventy percent (70%) of the trading day 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 for all of its bonds in the aggregate.

(b) Rebate. A BLP that meets the quoting requirement for a bond as described in paragraph (a) of this Rule shall receive the liquidity provider rebate set forth in the Exchange's Price List.

(c) Qualifications of a BLP. To qualify as a BLP, a member organization must:

(1) demonstrate an ability to meet the quoting requirements of a BLP;

(2) have mnemonics that identify to the Exchange BLP trading activity in assigned BLP bonds. A member organization may not use such mnemonics for trading activity at the Exchange in assigned BLP bonds that is not BLP trading activity but may use the same mnemonics for trading activity in bonds not assigned to a BLP. If a member organization does not identify to the Exchange the mnemonic to be used for BLP trading activity, the member organization shall not receive credit for such BLP trading; and

(3) have adequate trading infrastructure and technology to support electronic trading.

(d) Application Process.

(1) To become a BLP, a member organization must submit a BLP application form with all supporting documentation to the Exchange.

(2) After an applicant submits a BLP application to the Exchange, with supporting documentation, the Exchange shall notify the applicant member organization of its decision.

(3) If an applicant is approved by the Exchange to receive BLP status, such applicant must establish connectivity with relevant Exchange systems before such applicant is permitted to trade as a BLP on the Exchange.

(4) In the event an applicant is disapproved or disqualified under paragraph (i)(2) below by the Exchange, such applicant may request an appeal of such disapproval or disqualification by the Exchange as provided in paragraph (j) of this Rule, and/or reapply for BLP status three (3) months after the month in which the applicant received disapproval or disqualification notice from the Exchange.

(e) Voluntary Withdrawal of BLP Status. A BLP may withdraw from the status of a BLP by giving notice to the Exchange. Such withdrawal shall become effective when those bonds assigned to the withdrawing BLP are reassigned to another BLP. After the Exchange receives the notice of withdrawal from the withdrawing BLP, the Exchange shall reassign such bonds as soon as practicable, but no later than 30 days of the date said notice is received by the Exchange. In the event the reassignment of bonds takes longer than the 30-day period, the withdrawing BLP shall have no obligations under this Rule 88 and shall not be held responsible for

any matters concerning its previously assigned BLP bonds upon termination of this 30-day period.

(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 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 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 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 in a calendar month then dividing the resulting sum by the total number of trading days 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 in a calendar month then dividing the resulting sum by the total number of trading days in such calendar month.

(E) Only displayed orders entered throughout the trading day 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 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 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 for a calendar month;

(C) the "Daily BBO Quoting Percentage" is calculated for each trading day 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 in a calendar month then dividing the resulting sum by the total number of trading days in such calendar month.

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

(3) The 5% average quoting requirement shall not be applicable in the first two (2) calendar months a member organization operates as a BLP. The quoting requirement shall take effect on the first day of the third consecutive calendar month the member organization operates as a BLP.

(g) Matching of BLPs and Issuers.

(1) An issuer may be represented by only one BLP.

(2) Prior to the commencement of the BLP program, the Exchange shall match issuers with BLPs that have been approved under Rule 88(d) in the following manner. For issuers that have at least one debt issue with a current outstanding principal of \$500 million or greater, each BLP may select the issuers that it wants to represent, with the order of selection determined by lottery. For issuers that have debt issues that each have a current outstanding principal of less than \$500 million, each BLP may submit a list of the issuers and each issuer's bonds that it is willing to represent; the BLP that is willing to represent the most bonds for a given issuer shall be matched to that issuer. In event of a tie, the BLP with the highest lottery number from the first round of matching shall be matched with the issuer.

(3) After the commencement of the BLP program, on a monthly basis, BLPs may apply for unrepresented issuers. The BLP willing to represent the most debt issuances of such issuer shall be awarded status as BLP for such issuer; in the event of a tie, the issuer shall be awarded by lottery.

(4) A BLP must represent each debt issuance of an issuer assigned to the BLP that has an outstanding principal of \$500 million or more. A BLP also may represent any issuance below such level, but shall not be required to do so. If a BLP is representing a debt issuance that was above \$500 million but falls below such level, or has voluntarily been representing an issuance below the \$500 million level where the outstanding principal amount has since been reduced, the BLP may cease representing such debt issuance by notifying the Exchange in writing

by the 15th day of the month, in which case the BLP may cease acting as such on the 1st day of the following month.

(h) Entry of Orders by BLPs. BLPs may only enter orders electronically from off the Floor of the Exchange and may only enter such orders directly into Exchange systems and facilities designated for this purpose.

(i) Failure to Meet Quoting Requirements.

(1) If, in any given calendar month after the first two months a BLP acts as a BLP, a BLP fails to meet any of the quoting requirements set forth in paragraph (a) of this Rule for any assigned BLP bond, the BLP shall not receive the rebate described in paragraph (b) for the affected bond, and if such failure to meet the quoting requirements continues for three consecutive calendar months in any assigned BLP bond, the Exchange may, in its discretion, take one or more of the following actions:

(A) revoke the assignment of the affected issuer's bonds from the BLP;

(B) revoke the assignment of additional unaffected issuers from the BLP; or

(C) disqualify a member organization from its status as a BLP.

(2) Disqualification Determinations. The Exchange shall determine if and when a member organization is disqualified from its status as a BLP. One calendar month prior to any such determination, the Exchange shall notify a BLP of such impending disqualification in writing. When disqualification determinations are made, the Exchange shall provide a disqualification notice to the member organization.

(3) Re-application for BLP Status: In the event a member organization is disapproved pursuant to paragraph (d)(2) or disqualified from its status as a BLP pursuant to paragraph (i)(1)(C), such member organization may re-apply for BLP status. Such application process shall occur at least three (3) calendar months following the month in which such member organization received its disapproval or disqualification notice.

(j) Appeal of Disapproval or Disqualification

(1) In the event a member organization disputes the Exchange's decision to disapprove or disqualify it under paragraph (d)(4) or (i)(2), such member organization ("appellant") may request, within five (5) business days of receiving notice of the decision, the Bond Liquidity Provider Panel ("BLP Panel") to review all such decisions to determine if such decisions were correct.

- (A) In the event a member organization is disqualified from its status as a BLP pursuant to paragraph (i)(2) of this Rule, the Exchange shall not reassign the appellant's bonds to a different BLP until the BLP Panel has informed the appellant of its ruling.
- (2) The BLP Panel shall consist of the NYSE's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and two (2) officers of the Exchange designated by the Co-Head of U.S. Listings and Cash Execution.
- (3) The BLP Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.
- (4) The BLP Panel may overturn or modify an action taken by the Exchange under this Rule. All determinations by the BLP Panel shall constitute final action by the Exchange on the matter at issue.
