

Additions: Underlined  
Deletions: [Bracketed]

## Rules of New York Stock Exchange LLC

\*\*\*\*\*

### **Pillar Platform Rules (Rules 1P – 13P)**

\*\*\*\*\*

### **Rule 7P EQUITIES TRADING**

#### **Section 1. General Provisions**

\*\*\*\*\*

#### **Rule 7.10. [Reserved]Clearly Erroneous Executions**

The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule and the provisions of paragraphs (i) through (k), will be in effect during a pilot period to coincide with the pilot period for the Limit Up-Limit Down Plan, including any extensions to the pilot period for the Plan. If the Plan is not either extended or approved as permanent, the prior versions of sections (c), (e)(2), (f), and (g) of Rule 128 will be in effect for UTP Securities, and the provisions of paragraphs (i) through (k) will be null and void.

(a) *Definition.* For purposes of this Rule, the terms of a transaction executed on the Exchange are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape.

(b) *Request and Timing of Review.* A member organization that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this Rule. An Officer of the Exchange or such other employee designee of the Exchange ("Officer") will review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review will be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to member organizations.

(i) Requests for Review. Requests for review must be received within thirty (30) minutes of execution time and will include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the numerical guidelines set forth in Section (c)(1) of this Rule, the counterparty to the trade will be notified by the Exchange as soon as practicable, but generally within 30 minutes. An Officer may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction will provide, within thirty (30) minutes of the request, any supporting written information. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(ii) Routed Executions. Other market centers will generally have an additional 30 minutes from receipt of their participant's timely filing, but no longer than 60 minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that market center and executed on the Exchange.

(c) Thresholds. Determinations of a clearly erroneous execution will be made as follows:

(1) Numerical Guidelines. Subject to the provisions of paragraph (c)(3) below, a transaction executed during the Core Trading Session or the Early Trading Session will be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in (c)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

<u>Reference Price, Circumstance or Product:</u>	<u>Core Trading Session Numerical Guidelines (Subject transaction's % difference from the Reference Price:</u>	<u>Early Trading Session Numerical Guidelines (Subject transaction's % difference from the Reference Price:</u>
<u>Between \$0.00 and \$25.00</u>	<u>10%</u>	<u>20%</u>
<u>Between \$25.01 and \$50.00</u>	<u>5%</u>	<u>10%</u>
<u>Greater than \$50.00</u>	<u>3%</u>	<u>6%</u>
<u>Multi-Stock Event - Filings involving five or</u>	<u>10%</u>	<u>10%</u>

more, but less than  
twenty, securities whose  
executions occurred  
within a period of five  
minutes or less

Multi-Stock Event -  
Filings involving twenty  
or more securities whose  
executions occurred  
within a period of five  
minutes or less

30%, subject to the  
terms of paragraph  
(c)(2) below

30%, subject to the  
terms of paragraph  
(c)(2) below

Leveraged ETF/ETN  
securities

Core Trading Session  
Numerical Guidelines  
multiplied by the  
leverage multiplier (e.g.,  
2x)

Core Trading Session  
Numerical Guidelines  
multiplied by the  
leverage multiplier (e.g.,  
2x)

(2) Multi-Stock Events Involving Twenty or More Securities. During Multi-Stock Events involving twenty or more securities the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, the Exchange will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(3) Additional Factors. Except in the context of a Multi-Stock Event involving five or more securities, an Officer may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an IPO, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Early Trading Session executions, validity of the consolidated tapes trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor will be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(d) *Outlier Transactions.* In the case of an Outlier Transaction, an Officer may at its sole discretion, and on a case-by-case basis, consider requests received pursuant to subsection (b) of this Rule after 30 minutes, but not longer than sixty minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(1) "Outlier Transaction" means a transaction where:

(A) the execution price of the security is greater than three times the current Numerical Guidelines set forth in Paragraph (c)(1) of this Section, or

(B) the execution price of the security in question is not within the Outlier Transaction parameters set forth in Paragraph (d)(1)(A) of the Section but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in 7.10(c)(3), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(e) *Review Procedures.*

(1) *Determination by Officer.* Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute will be reviewed, and a determination will be rendered by the Officer. If the Officer determines that the transaction is not clearly erroneous, the Officer will decline to take any action in connection with the completed trade. In the event that the Officer determines that the transaction in dispute is clearly erroneous, the Officer will declare the transaction null and void. A determination will be made generally within 30 minutes of receipt of the complaint, but in no case later than the start of Core Trading on the following trading day. The parties will be promptly notified of the determination.

(2) *Appeals.* If a member organization affected by a determination made under this Rule so requests within the time permitted below, the Clearly Erroneous Execution Panel ("CEE Panel") will review decisions made by the Officer under this Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an officer under subsection (f) of this Rule if such Officer also determines under subsection (f) of this Rule that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made in conjunction with one or more additional market centers, the number of the affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable.

(A) The CEE Panel will consist of the Exchange Chief Regulatory Officer ("CRO"), or a designee of the CRO, and representatives from two (2) member organizations.

(B) The Exchange will designate at least ten (10) member organization representatives to be called upon to serve on the CEE Panel as needed. In no case will a CEE Panel include

a person related to a party to the trade in question. To the extent reasonably possible, the Exchange will call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

(3) A request for review on appeal must be made via e-mail within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel will review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 p.m. Eastern Time and the close of trading, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(4) The CEE Panel may overturn or modify an action taken by the Officer under this Rule. All determinations by the CEE Panel will constitute final action by the Exchange on the matter at issue.

(5) If the CEE Panel votes to uphold the decision made pursuant to Rule 7.10(e)(1), the Exchange will assess a \$500.00 fee against the member organization(s) who initiated the request for appeal.

(6) Any determination by an Officer or by the CEE Panel will be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) *System Disruption or Malfunctions.* In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Exchange in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, the Officer, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of Section (c)(1)-(3) of this Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Officer pursuant to this subsection (f) will be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer must be taken by no later than the start of Core Trading on the day following the date of execution(s) under review. Each member organization involved in the transaction will be notified as soon as practicable, and the member organization aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4).

(g) *Officer Acting On Own Motion.* An Officer, acting on its own motion, may review potentially erroneous executions and declare trades null and void or will decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of

Section (c)(1)-(3) of this Rule. Absent extraordinary circumstances, any such action of the Officer will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer must be taken by no later than the start of Core Trading on trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4) above.

(h) Trade Nullification for UTP Securities that are Subject of Initial Public Offerings ("IPOs"). Pursuant to SEC Rule 12f-2, as amended, the Exchange may extend unlisted trading privileges to a security that is the subject of an initial public offering when at least one transaction in the subject security has been effected on the national securities exchange or association upon which the security is listed and the transaction has been reported pursuant to an effective transaction reporting plan. A clearly erroneous error may be deemed to have occurred in the opening transaction of the subject security if the execution price of the opening transaction on the Exchange is the lesser of \$1.00 or 10% away from the opening price on the listing exchange or association. In such circumstances, the Officer will declare the opening transaction null and void or will decline to take action in connection with the completed trade(s). Clearly erroneous executions of subsequent transactions of the subject security will be reviewed in the same manner as the procedure set forth in (e)(1). Absent extraordinary circumstances, any such action of the Officer pursuant to this subsection (h) will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer must be taken by no later than the start of Core Trading on the day following the date of execution(s) under review. Each party involved in the transaction will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4) above.

(i) Securities Subject to Limit Up-Limit Down Plan. For purposes of this paragraph, the phrase "Limit Up-Limit Down Plan" or "Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. The provisions of paragraphs (a) through (h) above and (j) through (k) below will govern all Exchange transactions, including transactions in securities subject to the Plan, other than as set forth in this paragraph (i). If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, an Officer of the Exchange or senior level employee designee, acting on his or her own motion or at the request of a third party, will review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of the Core Trading Hours on the trading day following the date on which the execution(s) under review occurred. Each member organization involved in the transaction will be notified

as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, the Exchange will make the determination of whether to nullify transactions based on paragraphs (a) through (h) above and (j) through (k) below.

(j) *Multi-Day Event.* A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the "Event"). An Officer, acting on his or her own motion, will take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer will take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each member organization involved in a transaction subject to this paragraph will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(k) *Trading Halts.* In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer, acting on his or her own motion, will nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer will nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Core Trading Hours on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each member organization involved in a transaction subject to this paragraph will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

**Rule 7.11. [Reserved]Limit Up—Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility**

The provisions of this Rule shall be in effect during a pilot to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility.

**(a) Limit Up-Limit Down Mechanism.**

**(1) Definitions**

(A) "Plan" means the Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934, Exhibit A to Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012), as it may be amended from time to time.

(B) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan or Exchange rules, as applicable.

**(2) Exchange Participation in the Plan.** The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

**(3) Member Organization Compliance.** Member organizations will comply with the applicable provisions of the Plan.

**(4) Exchange Compliance with the Plan.** Exchange systems will not display or trade buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

**(5) Repricing and Cancellation of Orders.** Exchange systems will reprice or cancel buy (sell) orders that are priced or could be traded above (below) the Upper (Lower) Price Band.

(A) Incoming Market Orders, Limit Orders designated IOC, and Day ISOs will be traded, or if applicable, routed to an Away Market, to the fullest extent possible, subject to Rule 7.31(a)(1)(B) (Trading Collars for Market Orders) and 7.31(a)(2)(B) (price check for Limit Orders) at prices at or within the Price Bands.

(i) Any quantity of such orders that cannot be traded or routed at prices at or within the Price Bands will be cancelled and the member organization will be notified of the reason for the cancellation.



(ii) If Price Bands move and the working price of a resting Market Order or Day ISO to buy (sell) is above (below) the updated Upper (Lower) Price Band, such orders will be cancelled.

(B) Incoming Limit Orders will be traded, or if applicable, routed to an Away Market, to the fullest extent possible, subject to Rule 7.31(a)(2)(B) (price check for Limit Orders) at prices at or within the Price Bands.

(i) Such order will be assigned a working price, and if applicable, display price, at the Upper (Lower) Price Band, consistent with the terms of the order.

(ii) The repricing of Limit Orders will be applicable to both incoming and resting orders. If the Price Bands move and the limit price of a repriced order is at or within the Price Band, such Limit Order will be adjusted to its limit price.

(C) **Sell Short Orders.** During a Short Sale Price Test, as set forth in Rule 7.16(f), such short sale order priced below the Lower Price Band will be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 7.16(f)(5)(A). Sell short orders that are not eligible to be repriced will be treated as the order types specified in (a)(5)(A) above.

(D) Reserved.

(E) Reserved.

(F) If the midpoint of the PBBO is above (below) the Upper (Lower) Price Band, an MPL Order to buy (sell) will not be repriced or rejected and will not be eligible to trade.

(6) **Routing to Away Markets.** Exchange systems will not route buy (sell) orders to an Away Market displaying a sell (buy) quote that is above (below) the Upper (Lower) Price Band.

(7) **Trading Pause during a Straddle State.** The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal trading characteristics.

(8) After the Exchange opens or reopens an Exchange-listed security but before receiving Price Bands from the SIP under the Plan, the Exchange will calculate Price Bands based on the first Reference Price provided to the SIP and if such Price Bands are not in the MPV for the security, such Price Bands will be rounded to the nearest price at the applicable MPV.

**(b) Re-opening of Trading following a Trading Pause.**

(1) If a primary listing market issues an individual stock trading pause, the Exchange will pause trading in that security until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen the security within 10 minutes of notification of a Trading Pause, the Exchange may resume trading the security.

\*\*\*\*\*

**Rule 7.16. [Reserved]Short Sales**

(a) The terms "long", "short", and "short exempt" will have the meaning given to each by Regulation SHO, 17 CFR 240.200 et seq.

(b) Order Identification. No member organization of the Exchange may, by the use of any facility of the Exchange, execute any sell order unless such order is indicated as either "long", "short", or "short exempt".

(c) Marking Orders. A member organization must mark all sell orders as "long", "short", or "short exempt". Sales should be marked "short", "short exempt", and "long" in accordance with SEC Rule 200(g).

(d) Covering Short Sales. No member organization of the Exchange will lend, or arrange for the loan of any security for delivery to the broker for the purchaser after sale, or will fail to deliver a security on the date delivery is due, if such member organization knows or has reasonable grounds to believe that the sale was effected, or will be effected, pursuant to an order marked "long" unless such member organization knows, or has been informed by the seller (i) that the security sold has been forwarded to the account for which the sale was effected, or (ii) that the seller owns the security sold, that it is then impracticable to deliver such security to such account and that delivery will be made as soon as is possible without undue inconvenience or expense. The provisions of this subsection (d) will not apply to:

(1) The lending of a security by a member organization through the medium of a loan to another member organization; or

(2) Any loan, or arrangement for the loan, of any security, or any failure to deliver any security if, prior to such loan, arrangement, or failure to deliver, the Exchange finds (A) that such sale resulted from a mistake made in good faith; (B) either that the condition of the market at the time the mistake was discovered was such that undue hardship would result from covering the transaction by a "purchase for cash" or that the mistake was made by the seller's broker; and (C) that due diligence was used to ascertain that either (i) the security to be delivered after sale is carried in the account for which the sale was effected, or (ii) such member organization had been informed

that the seller owns the security being sold, and as soon as possible without undue inconvenience or expense, will deliver the security owned to the account for which the sale was effected.

(e) **General.** Short sale executions, order marking and securities lending in connection with short sales by member organizations will be subject to, and comply with, the provisions of Regulation SHO under the Securities Exchange Act of 1934.

(f) **Short Sale Price Test Pursuant to Rule 201 of Regulation SHO.** The following provisions will apply to short sales subject to the provisions of Rule 201 of Regulation SHO:

(1) **Definitions.** For purposes of this Rule, the terms "covered security," "listing market," and "national best bid" ("NBB") will have the same meaning as such terms have in Rule 201 of Regulation SHO.

(2) **Short Sale Price Test.** Except as provided in subparagraphs (f)(6) and (f)(7) below, Exchange systems will not execute or display a short sale order with respect to a covered security at a price that is less than or equal to the current NBB if the price of that security decreases by 10% or more, as determined by the listing market for the security, from the Official Closing Price on the Exchange as of the end of regular trading hours on the prior day ("Trigger Price").

(3) **Reserved.**

(4) **Duration of Short Sale Price Test.** If the Short Sale Price Test is triggered by the listing market with respect to a covered security, the Short Sale Price Test will remain in effect until the close of trading on the next trading day, as provided for in Regulation SHO Rule 201(b)(1)(ii) (the "Short Sale Period").

(5) **Re-pricing of Orders during Short Sale Period.** During the Short Sale Period, short sale orders will be handled by Exchange systems as follows:

(A) **Re-pricing of Orders** —Except as provided for in paragraphs (f)(5)(B) - (H) of this Rule, short sale orders with a working price and/or display price equal to or lower than the NBB will have the working price and/or display price adjusted one minimum price increment above the current NBB ("Permitted Price"). The Permitted Price for securities for which the NBB is \$1 or more is \$.01 above the NBB; the Permitted Price for securities for which the NBB is below \$1 is \$.0001 above the NBB. To reflect declines in the NBB, the Exchange will continue to adjust the working price of a short sale order at the lowest Permitted Price down to the order's original limit price, or if a Market Order, until the order is filled.

(B) **Priority 1 and Priority 3 Orders** —Market Orders and orders and reserve interest ranked Priority 3- Non-Display Orders will have a working price adjusted to a Permitted Price and will continuously adjust to a Permitted Price as the NBB

moves both up and down. Reserve interest that replenishes the displayed quantity of a Reserve Order will be replenished at a Permitted Price.

(C) **Pegged Orders and MPL Orders** —Pegged Orders and MPL Orders, including orders marked buy, sell long and sell short exempt, will use the NBBO instead of the PBBO as the reference price. The working price of MPL Orders will be the mid-point of the NBBO, including situations where the mid-point is less than one minimum price increment above the NBB.

(D) Reserved.

(E) **IOC Orders** —Limit Orders designated IOC requiring that all or part of the order be traded immediately will be traded to the extent possible at a Permitted Price and higher and then cancelled, and the working price will not be adjusted.

(F) **ISO** —ISOs will be rejected if the limit price is at or below the NBB.

(G) Reserved.

(H) **Returned Orders** —If a Short Sale Price Test is triggered after an order has routed, any returned quantity of the order and the order it joins on the Exchange Book will be adjusted to a Permitted Price. If the order that was routed was a Reserve Order, the returned quantity of the order will first join the reserve interest at a Permitted Price before being evaluated for replenishing the display quantity of the Reserve Order.

(6) **Execution of Permissible Orders during the Short Sale Period.** During the Short Sale Period, a short sale order will be executed and displayed without regard to price if, at the time of initial display of the short sale order, the order was at a price above the then current NBB. Except as specifically noted in subparagraph (f)(5), short sale orders that are entered into the Exchange prior to the Short Sale Period but are not displayed, including the reserve interest of a Reserve Order, will be adjusted to a Permitted Price.

(7) **Short Exempt Orders.** During the Short Sale Period, Exchange systems will execute and display orders marked "short exempt" without regard to whether the order is at a Permitted Price. Exchange systems will accept orders marked "short exempt" at any time when such systems are open for order entry, regardless of whether the Short Sale Price Test has been triggered.

\*\*\*\*\*

## **Rule 7.18. Halts**

**(a) UTP Regulatory Halts.** If the UTP Listing Market declares a UTP Regulatory Halt, the Exchange will halt trading in that security until it receives notification from the UTP

Listing Market that the halt or suspension is no longer in effect or as provided for in Rules 80B and 7.11[80C], provided that, during the Exchange's normal trading hours, the Exchange will halt trading until it receives the first Price Band in that security. If a UTP Regulatory Halt was issued for the purpose of dissemination of material news, the Exchange will assume that adequate publication or dissemination has occurred upon the expiration of one hour after initial publication in a national news dissemination service of the information that gave rise to an UTP Regulatory Halt and may, at its discretion, reopen trading at that time, notwithstanding notification from the UTP Listing Market that the halt or suspension is no longer in effect.

**(b)** [Reserved.]The Exchange will not conduct a Trading Halt Auction in a UTP Security and will process new and existing orders in a UTP Security during a UTP Regulatory Halt as follows:

- (1) cancel any unexecuted portion of Market Orders and orders not eligible to trade in the current trading session on the Exchange Book;
- (2) maintain all other resting orders in the Exchange Book at their last working price and display price;
- (3) accept and process all cancellations;
- (4) process a request to cancel and replace as a cancellation without replacing the order;
- (5) accept and route new Market Orders and Auction-Only Orders to the primary listing market; and
- (6) reject all other incoming order instructions until the security begins trading on the Exchange pursuant to paragraph (a) of this Rule.

**(c)** Reserved.

**(d)** Halts in Exchange Traded Products.

**(1)** Trading Halts for UTP Exchange Traded Products.

**(A)** [Reserved.]Early Trading Session. If a UTP Exchange Traded Product begins trading on the Exchange in the Early Trading Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value ("IIV") or the value of the underlying index, as applicable, to such UTP Exchange Traded Product, by a major market data vendor, the Exchange may continue to trade the UTP Exchange Traded Product for the remainder of the Early Trading Session.

**(B)** [Exchange's Normal Trading Hours]Core Trading Session. During the [Exchange's normal trading hours]Core Trading Session, if a temporary interruption occurs in the calculation or wide dissemination of the applicable intraday indicative value or value of the underlying index by a major market data vendor and the listing market halts trading in the UTP Exchange Traded Product, the Exchange, upon notification by the primary listing market of such halt due to such temporary interruption, also shall immediately halt trading in the UTP Exchange Traded Product on the Exchange.

\*\*\*\*\*

### **Section 3. Exchange Trading**

\*\*\*\*\*

#### **Rule 7.31. [Reserved]Orders and Modifiers**

##### (a) Primary Order Types

(1) Market Order. An unpriced order to buy or sell a stated amount of a security that is to be traded at the best price obtainable without trading through the NBBO. A Market Order must be designated Day and will be rejected on arrival or cancelled if resting if there is no contra-side NBBO. Unexecuted Market Orders are ranked Priority 1 - Market Orders.

(A) On arrival, a Market Order to buy (sell) is assigned a working price of the NBO (NBB) and will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the NBO (NBB) before routing to the NBO (NBB) on an Away Market. The quantity of a Market Order to buy (sell) not traded or routed will remain undisplayed on the Exchange Book at a working price of the NBO (NBB) and be eligible to trade with incoming sell (buy) orders at that price. When the updated NBO (NBB) is displayed, the Market Order to buy (sell) will be assigned a new working price of the updated NBO (NBB) and will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the updated NBO (NBB) before routing to the updated NBO (NBB) on an Away Market. Such assessment will continue at each new contra-side NBBO until the order is filled or a Trading Collar is reached. If the NBBO becomes locked or crossed while the order is held undisplayed, the Market Order to buy (sell) will be assigned a working price of the NBB (NBO).

(B) Trading Collar. During Core Trading Hours, a Market Order to buy (sell) will not trade or route to an Away Market at a price at or above (below) the Trading Collar. Trading Collars will not apply to Limit Orders.

(i) Calculation of the Trading Collar. The Trading Collar will be based on a price that is a specified percentage away from the consolidated last sale price and it

will be continuously updated based on market activity. The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in Rule 7.10(c)(1) (Clearly Erroneous Executions) for the Core Trading Session. The upper boundary of the Trading Collar is the consolidated last sale price increased by the specified percentage truncated to the MPV for the security, and the lower boundary is the consolidated last sale price decreased by the specified percentage truncated to the MPV for the security. A halt, suspension, or pause in trading will zero out the Trading Collar values, and the Trading Collar will be recalculated with the first consolidated last sale after trading resumes. If there is no consolidated last sale price on the same trading day, the Exchange will use the last Official Closing Price for the security.

(ii) If a Trading Collar is triggered, the unexecuted quantity of a Market Order to buy (sell) will be held undisplayed and assigned a working price one MPV below (above) the Trading Collar. The Market Order to buy (sell) will be available to trade with incoming orders to sell (buy) at that working price but will not trade with interest on the Exchange Book or route until (i) additional opportunities to trade consistent with the Trading Collar restriction become available, either on the Exchange or an Away Market, or (ii) a new Trading Collar is calculated and the remaining quantity of the order(s) is then able to trade or route at prices consistent with the new Trading Collar and NBBO.

(2) Limit Order. An order to buy or sell a stated amount of a security at a specified price or better. Unless otherwise specified, the working price and the display price of a Limit Order equal the limit price of the order, it is eligible to be routed, and it is ranked Priority 2 - Display Orders.

(A) A marketable Limit Order to buy (sell) will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the PBO (PBB) before routing to the PBO (PBB) and may route to prices higher (lower) than the PBO (PBB) only after trading with orders to sell (buy) on the Exchange Book at each price point. Once no longer marketable, the Limit Order will be ranked and displayed on the Exchange Book.

(B) Limit Order Price Protection. A Limit Order to buy (sell) will be rejected if it is priced at or above (below) a specified percentage away from the NBO (NBB). The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in paragraph (c)(1) of Rule 7.10 (Clearly Erroneous Executions) for the Core Trading Session. The Limit Order Price Protection will not be applied to an incoming Limit Order to buy (sell) if there is no NBO (NBB). Limit Order Price Protection will be applied when an order is eligible to trade. A Limit Order entered before the Core Trading Session that becomes eligible to trade in the Core Trading Session will become subject to Limit Order Price Protection when the Core Trading Session begins. Limit Order Price Protection for both buy and sell orders that are not in the minimum price variation ("MPV")

for the security, as defined in Rule 7.6, will be rounded down to the nearest price at the applicable MPV.

(C) If a BB (BO) that is locked or crossed by an Away Market PBO (PBB) is cancelled, executed or routed and the next best-priced resting Limit Order(s) on the Exchange Book that would become the new BB (BO) would have a display price that would lock or cross the PBO (PBB), such Limit Order(s) to buy (sell) will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB). When the PBO (PBB) is updated, the Limit Order(s) to buy (sell) will be repriced consistent with the original terms of the order. If a Day ISO to buy (sell) arrives before the PBO (PBB) is updated and would result in at least a round lot being displayed as a new BB (BO), such repriced Limit Order(s) to buy (sell) will be repriced to the lower (higher) of the display price of the Day ISO or the original price of the Limit Order(s). If the arriving Day ISO to buy (sell) would not result in at least a round lot being displayed, the Day ISO will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB).

(b) Time in Force Modifiers

(1) Day Modifier. Any order to buy or sell designated Day, if not traded, will expire at the end of the designated session on the day on which it was entered. A Day Modifier cannot be combined with any other Time in Force Modifier.

(2) Immediate-or-Cancel ("IOC") Modifier. A Limit Order may be designated IOC or Routable IOC, as described in paragraphs (A) and (B) of this paragraph (b)(2). The IOC Modifier will override any posting or routing instructions of orders that include the IOC Modifier.

(A) Limit IOC Order. A Limit Order designated IOC is to be traded in whole or in part on the Exchange as soon as such order is received, and the quantity not so traded is cancelled. A Limit IOC Order does not route. A Limit IOC Order to buy (sell) may be designated with a minimum trade size ("MTS"), which will trade against sell (buy) orders in the Exchange Book that in the aggregate, meets its MTS. On entry, a Limit IOC Order with an MTS must have a minimum of one round lot and will be rejected on arrival if the MTS is larger than the size of the Limit IOC Order. A Limit IOC Order with an MTS that cannot be immediately traded at its minimum size will be cancelled in its entirety.

(B) Limit Routable IOC Order. A Limit Order designated Routable IOC is to be traded in whole or in part on the Exchange as soon as such order is received, and the quantity not so traded routed to Away Market(s). Any quantity not immediately traded either on the Exchange or an Away Market will be cancelled. A Limit Routable IOC Order may not be designated with an MTS.



(c) Auction-Only Order. A Limit or Market Order that is only to be routed pursuant to Rule 7.34.

(1) A Limit-on-Open Order ("LOO Order"). A LOO Order is a Limit Order that is to be traded only during an opening or re-opening auction.

(2) A Market-on-Open Order ("MOO Order"). A MOO Order is a Market Order that is to be traded only during an opening or re-opening auction.

(3) Limit-on-Close Order ("LOC Order"). A LOC Order is a Limit Order that is to be traded only during a closing auction.

(4) Market-on-Close Order ("MOC Order"). A MOC Order is a Market Order that is to be traded only during a closing auction.

(d) Orders with a Conditional or Undisplayed Price and/or Size

(1) Reserve Order. A Limit Order with a quantity of the size displayed and with a reserve quantity of the size ("reserve interest") that is not displayed. The displayed quantity of a Reserve Order is ranked Priority 2 - Display Orders and the reserve interest is ranked Priority 3 - Non-Display Orders. Both the display quantity and the reserve interest of an arriving marketable Reserve Order are eligible to trade with resting interest in the Exchange Book or route to Away Markets.

(A) On entry, the display quantity of a Reserve Order must be entered in round lots. The displayed portion of a Reserve Order will be replenished following any execution. The Exchange will display the full size of the Reserve Order when the unfilled quantity is less than the minimum display size for the order.

(B) Each time a Reserve Order is replenished from reserve interest, a new working time is assigned to the replenished quantity of the Reserve Order, while the reserve interest retains the working time of original order entry.

(C) A Reserve Order must be designated Day and may be combined with the following orders only: Limit Non-Routable Order or Primary Pegged Order.

(2) Limit Non-Displayed Order. A Limit Order that is not displayed and does not route. A Limit Non-Displayed Order is ranked Priority 3 - Non-Display Orders. A Limit Non-Displayed Order must be designated Day and is valid for any trading session.

(A) The working price of a Limit Non-Displayed Order will be adjusted both on arrival and when resting on the Exchange Book based on the limit price of the order. If the limit price of a Limit Non-Display Order to buy (sell) is at or below (above) the PBO (PBB), it will have a working price equal to the limit price. If the limit price of a Limit Non-Displayed Order to buy (sell) is above (below) the PBO (PBB), it will have a working price equal to the PBO (PBB).

(3) Mid-Point Liquidity Order ("MPL Order"). A Limit Order that is not displayed and does not route, with a working price at the midpoint of the PBBO. An MPL Order is ranked Priority 3- Non-Display Orders. MPL Orders are valid for any session.

(A) An MPL Order to buy (sell) must be designated with a limit price in the MPV for the security and is eligible to trade only if the midpoint of the PBBO is at or below (above) the limit price of the order.

(B) If there is no PBB, PBO, or the PBBO is locked or crossed, both an arriving and resting MPL Order will wait for a PBBO that is not locked or crossed before being eligible to trade. If a resting MPL Order(s) to buy (sell) trades with MPL Order(s) to sell (buy) after there is an unlocked or uncrossed PBBO, the MPL Order with the later working time will be the liquidity-removing order.

(C) On arrival, an MPL Order to buy (sell) that is eligible to trade will trade with resting orders to sell (buy) with a working price at or below (above) the midpoint of the PBBO. Resting MPL Orders to buy (sell) will trade at the midpoint of the PBBO against all incoming orders to sell (buy) priced at or below (above) the midpoint of the PBBO.

(D) An MPL Order may be designated with an MTS of a minimum of one round lot and will be rejected on arrival if the MTS is larger than the size of the MPL Order. On arrival, an MPL Order to buy (sell) with an MTS will trade with sell (buy) orders in the Exchange Book that in the aggregate, meets its MTS. If the sell (buy) orders do not meet the MTS, the MPL Order to buy (sell) will not trade on arrival and will be ranked in the Exchange Book. Once resting, an MPL Order to buy (sell) with an MTS will trade with an order to sell (buy) that meets the MTS and is priced at or below (above) the midpoint of the PBBO. If an order does not meet an MPL Order's MTS, the order will not trade with and may trade through such MPL Order. If an MPL Order with an MTS is traded in part or reduced in size and the remaining quantity of the order is less than the MTS, the MPL Order will be cancelled.

(E) An MPL Order may be designated IOC ("MPL-IOC Order"). Subject to such IOC instructions, an MPL-IOC Order will follow the same trading and priority rules as an MPL Order, except that an MPL-IOC Order will be rejected if (i) the order entry size is less than one round lot, or (ii) there is no PBBO or the PBBO is locked or crossed. An MPL-IOC Order cannot be designated ALO.

(F) An MPL Order may be designated with an ALO Modifier ("MPL-ALO Order"). On arrival, an MPL-ALO Order to buy (sell) will trade with resting orders to sell (buy) with a working price below (above) the midpoint of the PBBO, but will not trade with resting orders to sell (buy) priced at the midpoint of the PBBO. A resting MPL-ALO Order to buy (sell) will trade with an arriving order to sell (buy) that is eligible to trade at the midpoint of the PBBO.

(e) Orders with Instructions Not to Route(1) Limit Non-Routable Order. A Limit Order that does not route.

(A) A Limit Non-Routable Order to buy (sell) that, at the time of entry and after trading with any sell (buy) orders in the Exchange Book priced at or below (above) the PBO (PBB), would create a violation of Rule 610(d) of Regulation NMS by locking or crossing the protected quotation of an Away Market or would cause a violation of Rule 611 of Regulation NMS, will be priced as follows:

(i) It will have a working price of the PBO (PBB) of an Away Market and a display price one MPV below (above) that PBO (PBB).

(ii) If the PBO (PBB) of an Away Market re-prices higher (lower), it will be assigned a new working price of the updated PBO (PBB) and a new display price of one MPV below (above) that updated PBO (PBB).

(iii) If the PBO (PBB) of an Away Market re-prices to be equal to or lower (higher) than its last display price, its display price will not change, but the working price will be adjusted to be equal to its display price.

(iv) If its limit price no longer locks or crosses the PBO (PBB) of an Away Market, it will be assigned a working price and display price equal to its limit price and will not be assigned a new working price or display price based on changes to the PBO (PBB).

(B) A Limit Non-Routable Order with a working price different from the display price is ranked Priority 3-Non-Display Orders and a Limit Non-Routable Order with a working price equal to the display price is ranked Priority 2-Display Orders.

(2) ALO Order. A Limit Non-Routable Order that, except as specified below, will not remove liquidity from the Exchange Book. Upon entry, an ALO Order must have a minimum of one displayed round lot.

(A) Reserved.

(B) An ALO Order to buy (sell) that, at the time of entry, is marketable against an order of any size to sell (buy) on the Exchange Book or would lock or cross a protected quotation in violation of Rule 610(d) of Regulation NMS, will be priced or trade, or both as follows:

(i) If there are no displayed or non-displayed orders to sell (buy) on the Exchange Book priced equal to or below (above) the PBO (PBB), the ALO Order to buy (sell) will have a working price equal to the PBO (PBB) and a display price one MPV below (above) the PBO (PBB).

(ii) If the limit price of the ALO Order to buy (sell) crosses the working price of any displayed or non-displayed order on the Exchange Book priced equal to or below (above) the PBO (PBB), it will trade as the liquidity taker with such order(s). Any untraded quantity of the ALO Order will have a working price equal to the PBO (PBB) and a display price one MPV below (above) the PBO (PBB).

(iii) If the limit price of the ALO Order to buy (sell) locks the display price of any order ranked Priority 2 - Display Orders on the Exchange Book priced equal to or below (above) the PBO (PBB), it will be assigned a working price and display price one MPV below (above) the price of the displayed order on the Exchange Book.

(iv) If the limit price of the ALO Order to buy (sell) locks the working price of any order ranked Priority 3 - Non-Display Orders on the Exchange Book priced equal to or below (above) the PBO (PBB), it will be assigned a working price equal to the PBO (PBB) and a display price one MPV below (above) the PBO (PBB), provided that,

(a) if there are any displayed orders at the working price of an order to sell (buy) ranked Priority 3 - Non-Display Orders, the ALO Order to buy (sell) will be priced under paragraph (e)(2)(B)(iii) of this Rule; and

(v) An ALO Order to buy (sell) will not be assigned a working price or display price above (below) the limit price of such order.

(C) Once resting on the Exchange Book, ALO Orders will be re-priced or trade, or both, as follows:

(i) If the order(s) to sell (buy) ranked Priority 2 - Display Orders or PBO (PBB) re-prices higher (lower), an ALO Order to buy (sell) will trade or be priced, or both, consistent with paragraphs (e)(2)(B)(i) - (iv) of this Rule.

(ii) If the PBO (PBB) re-prices lower (higher) to be equal to or lower (higher) than its last display price or if its limit price no longer locks or crosses the PBO (PBB), an ALO Order to buy (sell) will be priced pursuant to paragraphs (e)(1)(A)(iii) and (iv) of this Rule.

(D) An ALO Order will not trigger a contra-side MPL Order to trade.

(3) Intermarket Sweep Order ("ISO"). A Limit Order that does not route and meets the requirements of Rule 600(b)(30) of Regulation NMS. ISOs are not available to Floor brokers.

- (A) An ISO may trade through a protected bid or offer, and will not be rejected or cancelled if it would lock, cross, or be marketable against an Away Market provided that it meets the following requirements:
- (i) It is identified as an ISO in the manner prescribed by the Exchange; and
  - (ii) Simultaneously with the routing of an ISO to the Exchange, the member organization routes one or more additional Limit Orders, as necessary, to trade against the full displayed size of any protected bids (for sell orders) or protected offers (for buy orders) on Away Markets. These additional routed orders must be identified as ISO.
- (B) An ISO designated IOC ("IOC ISO") will be immediately traded with contra-side interest in the Exchange Book up to its full size and limit price and the quantity not so traded will be immediately and automatically cancelled. An IOC ISO may not be designated with an MTS.
- (C) An ISO designated Day ("Day ISO"), if marketable on arrival, will be immediately traded with contra-side interest in the Exchange Book up to its full size and limit price. Any untraded quantity of a Day ISO will be displayed at its limit price and may lock or cross a protected quotation that was displayed at the time of arrival of the Day ISO.
- (D) A Day ISO may be designated with an ALO Modifier ("Day ISO ALO") and must be entered with a minimum of one displayed round lot. An arriving Day ISO ALO to buy (sell) may trade through or lock or cross a protected quotation that was displayed at the time of arrival of the Day ISO ALO, and will be priced or trade, or both, as follows:
- (i) If the limit price of the Day ISO ALO to buy (sell) crosses the working price of any displayed or non-displayed order on the Exchange Book, it will trade as the liquidity taker with such order(s). Any untraded quantity of the Day ISO ALO will have a working price and display price equal to its limit price.
  - (ii) If the limit price of the Day ISO ALO to buy (sell) locks the display price of any order ranked Priority 2 - Display Orders on the Exchange Book, it will be assigned a working price and display price one MPV below (above) the price of the displayed order on the Exchange Book.
  - (iii) If the limit price of the Day ISO ALO Order to buy (sell) locks the working price of any order ranked Priority 3 - Non-Display Orders on the Exchange Book, it will be assigned a working price and display price equal to the limit price of the order, provided that,

(a) if there are any displayed orders at the working price of an order to sell (buy) ranked Priority 3 - Non-Display Orders, the Day ISO ALO to buy (sell) will be priced under paragraph (e)(3)(D)(ii) of this Rule; and

(iv) After being displayed, a Day ISO ALO will be re-priced and re-displayed or trade, or both, based on changes to orders ranked Priority 2 - Display Orders or the PBO (PBB) consistent with paragraphs (e)(2)(C)(i) and (ii) of this Rule.

(f) Reserved

(g) Reserved.

(h) Pegged Orders. A Limit Order that does not route with a working price that is pegged to a dynamic reference price. If the designated reference price is higher (lower) than the limit price of a Pegged Order to buy (sell), the working price will be the limit price of the order. Pegged Orders are available only to Floor brokers.

(1) Reserved.

(2) Primary Pegged Order. A Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed. A Primary Pegged Order to buy (sell) will be rejected on arrival, or cancelled when resting, if there is no PBB (PBO) against which to peg.

(A) A Primary Pegged Order must include a minimum of one round lot displayed. The working price of a Primary Pegged Order equals the display price and the display quantity is ranked Priority 2 - Display Orders and the reserve interest is ranked Priority 3 - Non-Display Orders.

(B) A Primary Pegged Order will be rejected if the PBBO is locked or crossed. If after arrival, the PBBO becomes locked or crossed, the Primary Pegged Order will wait for a PBBO that is not locked or crossed before the working price is adjusted, but remains eligible to trade at its current working price.

(3) Reserved.

(4) Non-Displayed Primary Pegged Order. A Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed, that is not displayed. A Non-Displayed Primary Pegged Order to buy (sell) will be rejected on arrival, or cancelled when resting, if there is no PBB (PBO) against which to peg.

(A) Non-Displayed Primary Pegged Orders are ranked Priority 3 – Non-Display Orders.

(B) If the PBBO is locked or crossed, both an arriving and resting Non-Displayed Primary Pegged Order will wait for a PBBO that is not locked or crossed before the working price is adjusted and the order becomes eligible to trade.

(i) Additional Order Instructions and Modifiers:

(1) Reserved.

(2) Self Trade Prevention Modifier ("STP"). Any incoming order to buy (sell) designated with an STP modifier will be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID, as designated by the member organization. The Exchange will evaluate the interaction between two orders marked with STP modifiers from the same Client ID consistent with the allocation logic applicable to the priority category of the resting order. If resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier will trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category. The STP modifier on the incoming order controls the interaction between two orders marked with STP modifiers.

(A) STP Cancel Newest ("STPN"). An incoming order to buy (sell) marked with the STPN modifier will not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID and the incoming order will cancel.

(i) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the incoming order marked with the STPN modifier will be cancelled back to the originating member organization and the resting order marked with one of the STP modifiers will remain on the Exchange Book.

(ii) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category will receive an allocation and the incoming order marked with the STPN modifier will be cancelled back.

(B) STP Cancel Oldest ("STPO"). An incoming order to buy (sell) marked with the STPO modifier will not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID and the resting order will cancel.

(i) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the resting order marked with the STP modifier will be cancelled back to the originating member organization. The incoming order marked with the STPO modifier will remain on the Exchange Book.

(ii) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, all resting orders with the STP modifier with the same Client ID in that priority category that would have been considered for an allocation will not be eligible for a parity allocation and will be cancelled. The incoming order marked with the STPO modifier will be eligible to trade on parity with orders in that priority category that do not have a matching STP modifier. Resting orders in that priority category with an STP modifier from the same Client ID that would not have been eligible for a parity allocation will remain on the Exchange Book.

Commentary:

.01 Order Type and Modifier Combinations. Member organizations may combine order types and modifiers, unless the terms of the proposed combination are inconsistent.

.02 If two order types are combined that include instructions both for operation on arrival and for how the order operates while resting on the Exchange Book, the instructions governing functionality while incoming will be operative upon arrival. Functionality governing how the order operates while resting on the Exchange Book will govern any remaining balance of the order that is not executed upon arrival.

\*\*\*\*\*

**Rule 7.34. [Reserved]Trading Sessions**

(a) Sessions. The Exchange will have two trading sessions each day the Exchange is open for business unless otherwise determined by the Exchange:

(1) Early Trading Session. The Early Trading Session will begin at 7:00 a.m. Eastern Time and conclude at the commencement of the Core Trading Session. The Exchange will begin accepting orders 30 minutes before the Early Trading Session begins.

(2) Core Trading Session. The Core Trading Session will begin for each security at 9:30 a.m. Eastern Time and end at the conclusion of Core Trading Hours.

(b) Order Designation.

(1) Unless otherwise specified in paragraph (c) of this Rule, an order entered before or during the Early or Core Trading Session will be deemed designated for the Early Trading Session and the Core Trading Session.

(2) An order without a time-in-force designation will be deemed designated with a day time-in-force modifier.



(c) Orders Permitted in Each Session.

(1) Early Trading Session. Unless otherwise specified in paragraphs (c)(1)(A) - (C), orders and modifiers defined in Rule 7.31 are eligible to participate in the Early Trading Session.

(A) Pegged Orders are not eligible to participate in the Early Trading Session. Non-Displayed Primary Pegged Orders entered before the Core Trading Session will be rejected. Primary Pegged Orders entered before the Core Trading Session will be accepted but will not be eligible to trade until the Core Trading Session begins.

(B) Limit Orders designated IOC will be rejected if entered before the Early Trading Session begins.

(C) Market Orders and Auction-Only Orders in UTP Securities entered before the Core Trading Session begins will be routed to the primary listing market on arrival. Any order routed directly to the primary listing market on arrival will be cancelled if that market is not accepting orders.

(2) Core Trading Session. Unless otherwise specified in paragraphs (c)(2)(A) - (B), all orders and modifiers defined in Rule 7.31 are eligible to participate in the Core Trading Session.

(A) Market Orders in UTP Securities will be routed to the primary listing market until the first opening print of any size on the primary listing market or 10:00 a.m. Eastern Time, whichever is earlier.

(B) Auction-Only Orders in UTP Securities will be accepted and routed directly to the primary listing market.

(d) Customer Disclosures. No member organization may accept an order from a non-member organization for execution in the Early Trading Session without disclosing to such non-member organization that:

(1) Limit Orders are the only orders that are eligible for execution during the Early Trading Sessions;

(2) An order must be designated specifically for trading in the Early Trading Session to be eligible for trading in the Early Trading Session; and

(3) Extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for Exchange Traded Products.

The disclosures required pursuant to this subparagraph (d)(3) may take the following form or such other form as provides substantially similar information:

- (1) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- (2) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- (3) Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
- (4) Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- (5) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- (6) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- (7) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain Exchange Traded Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV

are not calculated or widely disseminated during the Early Trading Session, an investor who is unable to calculate implied values for certain Exchange Traded Products in those sessions may be at a disadvantage to market professionals.

(e) Trades on the Exchange executed and reported outside of the Core Trading Session are designated as .T trades.

\*\*\*\*\*

### **Rule 7.36. [Reserved]Order Ranking and Display**

(a) Definitions for purposes of Rule 7P Equities Trading:

- (1) "Display price" means the price at which a Limit Order is displayed, which may be different from the limit price or working price of the order.
- (2) "Limit price" means the highest (lowest) specified price at which a Limit Order to buy (sell) is eligible to trade.
- (3) "Working price" means the price at which an order is eligible to trade at any given time, which may be different from the limit price or display price of the order.
- (4) "Working time" means the effective time sequence assigned to an order for purposes of determining its priority ranking.
- (5) "Participant" means for purposes of parity allocation, a Floor broker trading license (each, a "Floor Broker Participant") or orders collectively represented in the Exchange Book that have not been entered by a Floor broker ("Book Participant").
- (6) "Aggressing Order" means a buy (sell) order that is or becomes marketable against sell (buy) interest on the Exchange Book.

(b) Display. The Exchange displays all non-marketable Limit Orders, unless the order or modifier instruction specifies that all or a portion of the order is not to be displayed.

- (1) An order is considered displayed for ranking purposes if the price, side, and size of the order are disseminated via a market data feed. Odd-lot sized Limit Orders and the displayed portion of Reserve Orders are considered displayed for ranking purposes.
- (2) All non-marketable displayed Limit Orders will be displayed on an anonymous basis.
- (3) The best-ranked non-marketable displayed Limit Order(s) to buy and the best ranked non-marketable displayed Limit Order(s) to sell in the Exchange Book and the aggregate displayed size of such orders associated with such prices will be

collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 of Regulation NMS under the Exchange Act. If non-marketable odd-lot sized orders at multiple price levels can be aggregated to equal at least a round lot, such odd-lot sized orders will be displayed as the best ranked displayed orders to sell (buy) at the least aggressive price at which such odd-lot sized orders can be aggregated to equal at least a round lot.

(c) *Ranking.* All non-marketable orders are ranked and maintained in the Exchange Book in the following manner: (1) price; (2) priority category; (3) time; and (4) ranking restrictions applicable to an order or modifier condition.

(d) *Price.* All orders are ranked based on the working price of an order. Orders to buy are ranked from highest working price to lowest working price. Orders to sell are ranked from lowest working price to highest working price. If the working price of an order changes, the price priority of the order changes.

(e) *Priority Categories.* At each price point, all orders are assigned a priority category. If at a price point there are no orders in a priority category, the next priority category has first priority.

(1) *Priority 1 - Market Orders.* Unexecuted Market Orders have priority over all other same-side orders with the same working price.

(2) *Priority 2 - Display Orders.* Non-marketable Limit Orders with a displayed working price have second priority.

(3) *Priority 3 - Non-Display Orders.* Non-marketable Limit Orders for which the working price is not displayed, including reserve interest of Reserve Orders, have third priority.

(f) *Time.* Within each priority category, orders are ranked based on time priority.

(1) *An order is assigned a working time based on its original entry time, which is the time when an order is first placed in the Exchange Book.*

(A) *An order that is fully routed to an Away Market on arrival is not assigned a working time unless and until any unexecuted portion of the order returns to the Exchange Book.*

(B) *For an order that is partially routed to an Away Market on arrival, the portion that is not routed is assigned a working time. Other than as provided for in Rule 7.38(b)(2), if any unexecuted portion of the order returns to the Exchange Book and joins any remaining resting portion of the original order, the returned portion of the order is assigned the same working time as the resting portion of the order. If the resting portion of the original order has already executed and any*

unexecuted portion of the order returns to the Exchange Book, the returned portion of the order is assigned a new working time.

(2) An order is assigned a new working time any time its working price changes.

(3) An order is assigned a new working time if the size of such order increases. An order retains its working time if the size of the order decreases.

(4) An order retains its working time if the order marking is changed from: (A) sell to sell short; (B) sell to sell short exempt; (C) sell short to sell; (D) sell short to sell short exempt; (E) sell short exempt to sell; and (F) sell short exempt to sell short.

(g) *Ranking Restrictions.* The Exchange will enforce ranking restrictions applicable to specific order or modifier instructions as provided for in Rules 7.31.

(h) *Setter Priority.* Setter Priority will be assigned to an order ranked Priority 2 – Display Orders with a display quantity of at least a round lot if such order (i) establishes a new BBO and (ii) either establishes a new NBBO or joins an Away Market NBBO. Only one order is eligible for Setter Priority at each price.

(1) An order will be evaluated for Setter Priority:

(A) on arrival, which includes when any portion of an order that has routed returns unexecuted;

(B) when it becomes eligible to trade for the first time upon transitioning to a new trading session.

(2) An order retains its Setter Priority:

(A) if it is decremented to any size because it has either traded or been partially cancelled;

(B) if joined at that price by a resting order that is re-priced and assigned a display price equal to the display price of the order with Setter Priority;

(C) if the BBO or NBBO changes;

(D) if the order marking changes from (A) sell to sell short, (B) sell to sell short exempt, (C) sell short to sell, (D) sell short to sell short exempt, (E) sell short exempt to sell, and (F) sell short exempt to sell short; or

(E) when transitioning from one trading session to another.

(3) An order loses its Setter Priority:

(A) if trading in the security is halted, suspended, or paused;

(B) if such order is assigned a new display price; or

(C) if such order is less than a round lot and is assigned a new working time pursuant to Rule 7.38(b)(2).

(4) Setter Priority is not available:

(A) for any portion of an order that is ranked Priority 3 – Non-Display Orders; and

(B) when the reserve quantity replenishes the display quantity of a Reserve Order.

**Rule 7.37. [Reserved]Order Execution and Routing**

(a) Order Execution. An Aggressing Order will be matched for execution against contra-side orders in the Exchange Book as provided for in paragraph (b) of this Rule, subject to the following:

(1) Orders that are routed to an Away Market on arrival will not be assigned a working time or matched for execution on the Exchange Book.

(2) Unless an order qualifies for an exception from the Order Protection Rule in Rule 611 of Regulation NMS, an order will not trade at prices that trade through a protected quotation.

(3) Limit Orders will be executed at prices that are equal to or better than the PBBO.

(4) Market Orders will be executed at prices that are equal to or better than the NBBO.

(b) Allocation.

(1) At each price, an Aggressing Order will be allocated against contra-side orders as follows:

(A) Orders ranked Priority 1 – Market Orders will trade first based on time.

(B) Next, an order with Setter Priority that has a display price and working price equal to the BBO will receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. An order with Setter Priority is eligible for allocation under this subparagraph if the BBO is no longer the same as the NBBO.

(C) Next, orders ranked Priority 2 – Displayed Orders will be allocated on parity by Participant. Any remaining quantity of an order with Setter Priority is eligible to

participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority.

(D) Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS, will be allocated on parity by Participant.

(E) Next, MPL Orders with an MTS will be allocated based on MTS size (smallest to largest) and time.

(2) Allocation Wheel. At each price on each side of the market, the Exchange maintains an “allocation wheel” of Participants with orders ranked Priority 2 – Display Orders and a separate allocation wheel of Participants with orders ranked Priority 3 – Non-Display Orders.

(A) The Participant that enters the first order in a priority category at a price will establish the first position on the applicable allocation wheel for that price. If an allocation wheel no longer has any orders at a price, the next Participant to enter an order at that price will establish a new allocation wheel.

(B) Additional Participants are added to an allocation wheel based on time of entry of the first order entered by a Participant.

(C) Once a Participant has established a position on an allocation wheel at a price, any additional orders from that Participant at the same price will join that position on an allocation wheel.

(D) If an order receives a new working time or is cancelled and replaced at the same working price, the Participant that entered such order will be moved to the last position on an allocation wheel if that Participant has no other orders at that price.

(E) A Participant will be removed from an allocation wheel if (i) all orders from that Participant at that price are executed or cancelled in full, (ii) the working price of an order changes and that Participant has no other orders at that price, or (iii) the priority category of the order changes and that Participant has no other orders at that price.

(F) If multiple orders are assigned new working prices at the same time, the Participants representing those orders will be added to an allocation wheel at the new working price in time sequence relative to one another.

(3) Parity Pointer. If there is more than one Participant on an allocation wheel, the Exchange maintains a “pointer” that identifies which Participant is next to be evaluated for a parity allocation. The Participant with the pointer is considered the first position. The Setter Priority allocation in paragraph (b)(1)(B) of this Rule does not move the pointer.

(4) Parity Allocation. An Aggressing Order will be allocated by round lots. The Participant with the pointer will be allocated a round lot and then the pointer will advance to the next Participant. The pointer will continue to advance on an allocation wheel until the Aggressing Order is fully allocated or all Participants in that priority category are exhausted.

(A) Not all Participants on an allocation wheel are guaranteed to receive an allocation. The size of an allocation to a Participant will be based on which Participant had the pointer at the beginning of the allocation, the size of the Aggressing Order, the number of Participants in the allocation, and the size of the orders entered by Participants.

(B) If the last Participant to receive an allocation is allocated an odd lot, the pointer will stay with that Participant.

(C) If the Aggressing Order is an odd lot, the Participant with the pointer will be allocated the full quantity of the order, unless that Participant does not have an order that could satisfy the Aggressing Order in full, in which case, the pointer will move to the next Participant on an allocation wheel.

(D) A Participant that has an order or orders equaling less than a round lot will be eligible for a parity allocation up to the size of the order(s) represented by that Participant.

(5) Book Participant Allocation. An allocation to the Book Participant will be allocated to orders that comprise the Book Participant by working time.

(6) Floor Broker Participant Allocation. An allocation to a Floor Broker Participant (“Floor Broker Allocation”) will be allocated to orders with unique working times that comprise the Floor Broker Participant (“Floor Broker Orders”) on parity. The parity allocation within a Floor Broker Allocation will be processed as described in paragraphs (b)(2) – (4) of this Rule, with the Floor Broker Allocation processed as the “Aggressing Order” and each Floor Broker Order processed as a “Participant.”

(7) Reserved.

(8) If resting orders on one side of the market are repriced and become marketable against contra-side orders on the Exchange Book, the Exchange will rank the repriced orders as described in Rule 7.36(c) and trade them as Aggressing Orders consistent with their ranking.

(9) If resting orders on both sides of the market are repriced and become marketable against one another, the Exchange will rank the orders on each side of the market as described in Rule 7.36(c) and trade them as follows:



(A) The best-ranked order will establish the price at which the marketable orders will trade, provided that if the marketable orders include MPL orders, orders will trade at the midpoint of the PBBO.

(B) The next best-ranked order will trade as the Aggressing Order with contra-side orders at that price pursuant to paragraph (b)(1) of this Rule;

(C) When an Aggressing Order is fully executed, the next-best ranked order will trade as the Aggressing Order with contra-side orders at that price pursuant to paragraph (b)(1) of this Rule;

(D) Orders on both side of the market will continue to trade as the Aggressing Order until all marketable orders are executed.

(c) Routing. Unless an order has an instruction not to route, after being matched for execution with any contra-side orders in the Exchange Book pursuant to paragraph (a) of this Rule, marketable orders will be routed to Away Market(s).

(1) An order that cannot meet the pricing parameters of paragraph (a) of this Rule may be routed to Away Market(s) before being matched for execution against contra-side orders in the Exchange Book.

(2) If an order with an instruction not to route would trade through or lock or cross a protected quotation and is not eligible for an exception to Rule 610 or 611 of Regulation NMS, it will cancel, re-price, or be held undisplayed on the Exchange Book, as provided for in Rule 7.31.

(3) Reserved.

(4) Limit Orders that are routed to Away Market(s) may be routed to more than one price level, up (down) to the limit price of an order to buy (sell).

(5) Except for orders routed to the primary listing market on arrival pursuant to Rule 7.34, orders routed to Away Market(s) will be sent as IOC ISOs.

(6) Any order or portion thereof that has been routed is not eligible to trade on the Exchange Book, unless all or a portion of the order returns unexecuted.

(7) Requests to cancel an order that has been routed will be processed as follows:

(A) For orders that are eligible to be matched for execution against orders in the Exchange Book, the request to cancel will not be processed unless and until all or a portion of the order returns unexecuted.

(B) For orders routed to the primary listing market on arrival pursuant to Rule 7.34, the request to cancel will be routed to the primary listing market.

(8) An order marked "short" when a short sale price test restriction is in effect will not be routed.

(d) After executing with eligible contra-side interest on the Exchange Book and/or returning unexecuted after routing to an Away Market(s), any unexecuted non-marketable portion of an order will be ranked consistent with Rule 7.36.

(e) Use of Data Feeds. The Exchange uses the following data feeds for the handling, execution, and routing of orders, as well as for regulatory compliance:

<u>Market Center</u>	<u>Primary Source</u>	<u>Secondary Source</u>
<u>Bats BZX Exchange, Inc.</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>Bats BYX Exchange, Inc.</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>Bats EDGA Exchange, Inc.</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>Bats EDGX Exchange, Inc.</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>Chicago Stock Exchange, Inc.</u>	<u>SIP Data Feed</u>	<u>n/a</u>
<u>Investors' Exchange, LLC</u>	<u>SIP Data Feed</u>	<u>n/a</u>
<u>NASDAQ BX, Inc.</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>NASDAQ PHLX LLC</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>NASDAQ Stock Market LLC</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>NYSE Arca, Inc.</u>	<u>Direct Feed</u>	<u>SIP Data Feed</u>
<u>NYSE American LLC</u>	<u>SIP Feed</u>	<u>Direct Feed</u>

(f) Locking or Crossing Quotations in NMS Stocks.

(1) Definitions. For purposes of this Rule, the following definitions shall apply:

(A) The term Crossing Quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that is higher than the Best Protected Offer for such NMS stock, or the display of an offer for an NMS stock during regular trading hours at a price that is lower than the Best Protected Bid for such NMS stock.

(B) The term Locking Quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that equals the Best Protected Offer for such NMS stock, or the display of an offer for an NMS stock during regular trading hours at a price that equals the Best Protected Bid for such NMS stock.

(2) Prohibition. Except for quotations that fall within the provisions of paragraph (f)(3) of this Rule, the Exchange and members of the Exchange shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross the PBBO.

(3) Locked or Crossed Market Exceptions. The prohibition against Locking and Crossing Quotations in paragraph (f)(2) of this Rule will not apply when:

(A) The Locking or Crossing Quotation was displayed at a time when the Trading Center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment;

(B) The Locking or Crossing Quotation was displayed at a time when the Best Protected Bid was higher than the Best Protected Offer in the NMS stock; or

(C) The Locking or Crossing Quotation was an Automated Quotation, and the member organization displaying such Automated Quotation simultaneously routed an ISO to execute against the full displayed size of any locked or crossed Protected Quotation.

(g) Exceptions to the Order Protection Rule

(1) Self-Help Exception. The self-help exception will apply to any trade-through of a Protected Quotation displayed by a Trading Center that is experiencing a failure, material delay, or malfunction of its systems or equipment. In these instances, Protected Quotations may be bypassed by:

(A) notifying the non-responding Trading Center immediately after (or at the same time as) electing self-help; and

(B) following the established Exchange policies and procedures for electing the self-help exception.

(2) Intermarket Sweep Order Exception.

(A) The Exchange will accept ISO orders to be executed in the Exchange Book against orders at Exchange's best bid or best offer without regard to whether the execution would trade through another market's Protected Quotation.

(B) If an ISO is marked as "Immediate-or-Cancel," any portion of the order not executed upon arrival will be automatically cancelled. If an ISO is not marked as "Immediate-or-Cancel," any balance of the order will be displayed by the Exchange without regard to whether that display would lock or cross another market center if the member organization has complied with Rule 7.37(f)(3)(C).

(3) Single-Price Openings, Reopenings, and Closing Transactions. A transaction that constituted the trade through is excepted from the Order Protection Rule if it was a single-priced opening, reopening, or closing transaction by the Exchange.

(4) Benchmark Trades. The Exchange may execute volume-weighted average price ("VWAP") orders, as well as other types of orders that are not priced with reference to the quoted price of the NMS stock at the time of execution and for which the material terms were not reasonably available at the time the commitment to execute the order was made. Benchmark Trades may not trade through the Exchange Book.

(5) Contingent Order Exemption. Transactions Qualifying as "Contingent Trades" may trade-through both Manual and Protected Quotes. Transactions executed under this exemption may not trade through the Exchange Book. A "Qualified Contingent Trade" is a transaction consisting of two or more component orders, executed as agent or principal, where:

(A) at least one component order is in an NMS stock;

(B) all components are effected with a product or price contingency that either has been agreed to by the respective counterparties or arranged for by a broker-dealer as principal or agent;

(C) the execution of one component is contingent upon the execution of all other components at or near the same time;

(D) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined at the time the contingent order is placed;

(E) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of participants in mergers or with intentions to merge that have been announced or since cancelled; and

(F) the Exempted NMS Stock Transaction is fully hedged (without regard to any prior existing position) as a result of the other components of the contingent trade.

**Rule 7.38. [Reserved]Odd and Mixed Lots**

(a) Order Types. Rules 7.31 specify whether an order may not be entered as an odd lot or mixed lot.

(b) Ranking and Execution. Round lot, mixed lot and odd lot orders are treated in the same manner on the Exchange, provided that:

(1) The working price of an odd lot order will be adjusted both on arrival and when resting on the Exchange Book based on the limit price of the order. If the limit price of an odd lot order to buy (sell) is at or below (above) the PBO (PBB), it will have a working price equal to the limit price. If the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB), it will have a working price equal to the PBO (PBB). If the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB) and the PBBO is crossed, it will have a working price equal to the PBB (PBO). An odd-lot order ranked Priority 2 – Display Orders will not be assigned a new working time if its working price is adjusted under this Rule. If the display price of an odd lot order to buy (sell) is above (below) its working price, it will be ranked and allocated based on its display price.

(2) For an order that is partially routed to an Away Market on arrival, if any returned quantity of the order joins resting odd-lot quantity of the original order and the returned and resting quantity, either alone or together with other odd-lot orders, would be displayed as a new BBO, both the returned and resting quantity will be assigned a new working time.

\*\*\*\*\*

**Section 5. [Reserved]Plan to Implement a Tick Size Pilot Program**

**Rule 7.46. Tick Size Pilot Plan**

The provisions of this Rule will be in effect during a pilot to coincide with the pilot period for the Regulation NMS Tick Size Pilot Plan.

(a) Tick Size Pilot Program

(1) Definitions.

(A) "Plan" means the Tick Size Pilot Plan Submitted to the Securities and Exchange Commission Pursuant to Rule 608(a)(3) of Regulation NMS under the Exchange Act.

- (B) "Pilot Test Groups" means the three test groups established under the Plan, consisting of 400 Pilot Securities each, which satisfy the respective criteria established by the Plan for each such test group.
- (C) "Retail Investor Order" means an agency order or a riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a retail member organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. A Retail Investor Order may be an odd lot, round lot, or partial round lot.
- (D) "Trade-at Intermarket Sweep Order" means a limit order for a Pilot Security that meets the following requirements:
- (i) When routed to a Trading Center, the limit order is identified as a Trade-at Intermarket Sweep Order; and
  - (ii) Simultaneously with the routing of the limit order identified as a Trade-at Intermarket Sweep Order, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the Pilot Security with a price that is better than or equal to the limit price of the limit order identified as a Trade-at Intermarket Sweep Order. These additional routed orders also must be marked as Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders.
- (E) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan, Regulation NMS under the Exchange Act, or Exchange rules, as applicable.
- (2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes a Tick Size Pilot Program that will allow the Securities and Exchange Commission, market participants, and the public to study and assess the impact of increment conventions on the liquidity and trading of the common stocks of small capitalization companies.
- (3) Member Organization Compliance. Member organizations shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the applicable requirements of the Plan.
- (4) Exchange Compliance with the Plan. Exchange systems will not display, quote or trade in violation of the applicable quoting and trading requirements for a Pilot Security specified in the Plan and this Rule, unless such quotation or transaction is specifically exempted under the Plan.

(5) Pilot Securities That Drop Below \$1.00 during the Pilot Period. If the price of a Pilot Security drops below \$1.00 during regular trading on any given business day, such Pilot Security will continue to be subject to the Plan and the requirements enumerated in (c)-(e) below and will continue to trade in accordance with such Rules as if the price of the Pilot Security had not dropped below \$1.00. However, if the Closing Price of a Pilot Security on any given business day is below \$1.00, such Pilot Security will be moved out of its respective Pilot Test Group into the Control Group, and may then be quoted and traded at any price increment that is currently permitted by Exchange rules for the remainder of the Pilot Period. Notwithstanding anything contained herein to the contrary, at all times during the Pilot Period, Pilot Securities (whether in the Control Group or any Pilot Test Group) will continue to be subject to the requirements contained in Paragraph (b).

(b) Compliance with Data Collection Requirements

(1) Policies and Procedures Requirement. A member organization that operates a Trading Center shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Items I and II of Appendix B of the Plan, and a member organization that is a Market Maker shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Item IV of Appendix B of the Plan and Item I of Appendix C of the Plan.

(2) The Exchange shall collect and transmit to the SEC the data described in Items I and II of Appendix B of the Plan relating to trading activity in Pre-Pilot Data Collection Securities and Pilot Securities on a Trading Center operated by the Exchange. The Exchange shall transmit such data to the SEC in a pipe delimited format, on a disaggregated basis by Trading Center, within 30 calendar days following month end for:

(A) Each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(B) Each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the member organization that generated the data.

(3) Daily Market Maker Participation Statistics Requirement

(A) A member organization that is a Market Maker shall collect and transmit to their Designated Examining Authority ("DEA") data relating to Item IV of Appendix B

of the Plan, with respect to activity conducted on any Trading Center in Pre-Pilot Data Collection Securities and Pilot Securities in furtherance of its status as a Market Maker, including a Trading Center that executes trades otherwise than on a national securities exchange, for transactions that have settled or reached settlement date. Market Makers shall transmit such data in a format required by their DEA by 12:00 p.m. EST on T+4:

(i) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) For transactions in each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A member organization that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (3)(A) above to FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 in accordance with paragraphs (3)(A)(i) and (ii) above.

(C) The Exchange shall transmit the data collected by the DEA or FINRA pursuant to paragraphs (3)(A) and (B) above relating to Market Maker activity on a Trading Center operated by the Exchange to the SEC in a pipe delimited format within 30 calendar days following month end. The Exchange shall also make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data.

#### (4) Market Maker Profitability

(A) A member organization that is a Market Maker shall collect and transmit to their DEA the data described in Item I of Appendix C of the Plan with respect to executions on any Trading Center that have settled or reached settlement date. Market Makers shall transmit such data in a format required to their DEA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in each:

(i) Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A member organization that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (4)(A) above to



FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in accordance with paragraphs (4)(A)(i) and (ii) above.

(5) Market Maker Registration Statistics. The Exchange shall collect and transmit to the SEC the data described in Item III of Appendix B of the Plan relating to daily Market Maker registration statistics in a pipe delimited format within 30 calendar days following month end for:

(A) Transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through the trading day immediately preceding the Pilot Period; and

(B) Transactions in each Pilot Security for the period beginning on the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the member organization that generated the data.

(c) Pilot Securities in Test Group One will be subject to the following requirement: No member organization may display, rank, or accept from any person any displayable or nondisplayable bids or offers, orders, or indications of interest in increments other than \$0.05. However, orders priced to trade at the midpoint of the national best bid and national best offer ("NBBO") or best protected bid and best protected offer ("PBBO") may be ranked and accepted in increments of less than \$0.05. Pilot Securities in Test Group One may continue to trade at any price increment that is currently permitted by Rule 7.6.

(d) Pilot Securities in Test Group Two shall be subject to the following requirements:

(1) No member organization may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than \$0.05. However, orders priced to trade at the midpoint of the NBBO or PBBO may be ranked and accepted in increments of less than \$0.05.

(2) Absent any of the exceptions listed in (3) below, no member organization may execute orders in any Pilot Security in Test Group Two in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(3) Pilot Securities in Test Group Two may trade in increments less than \$0.05 under the following circumstances:

(A) Trading may occur at the midpoint between the NBBO or the PBBO;

(B) Retail Investor Orders may be provided with price improvement that is at least \$0.005 better than the PBBO;

(C) Negotiated Trades may trade in increments less than \$0.05; and

(D) Execution of a customer order to comply with Rule 5320 following the execution of a proprietary trade by the member organization at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(e) Pilot Securities in Test Group Three shall be subject to the following requirements:

(1) No member organization may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than \$0.05. However, orders priced to trade at the midpoint of the NBBO or PBBO may be ranked and accepted in increments of less than \$0.05.

(2) Absent any of the exceptions listed in (3) below, no member organization may execute orders in any Pilot Security in Test Group Three in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(3) Pilot Securities in Test Group Three may trade in increments less than \$0.05 under the following circumstances:

(A) Trading may occur at the midpoint between the NBBO or PBBO;

(B) Retail Investor Orders may be provided with price improvement that is at least \$0.005 better than the Best Protected Bid or the Best Protected Offer;

(C) Negotiated Trades may trade in increments less than \$0.05; and

(D) Execution of a customer order to comply with Rule 5320 following the execution of a proprietary trade by the member organization at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(4) Pilot Securities in Test Group Three will be subject to the following Trade-at Prohibition:

(A) "Trade-at Prohibition" means the prohibition against executions by a Trading Center of a sell order for a Pilot Security at the price of a Protected Bid or the execution of a buy order for a Pilot Security at the price of a Protected Offer during regular trading hours.

(B) Absent any of the exceptions listed in (C) below, no member organization may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer.

(C) Member organizations may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer if any of the following circumstances exist:

(i) The order is executed as agent or riskless principal by an independent trading unit, as defined under Rule 200(f) of Regulation SHO, of a Trading Center within a member organization that has a displayed quotation as agent or riskless principal, via either a processor or an SRO Quotation Feed, at a price equal to the traded at Protected Quotation, that was displayed before the order was received, but only up to the full displayed size of that independent trading unit's previously displayed quote;

(ii) The order is executed by an independent trading unit, as defined under Rule 200(f) of Regulation SHO, of a Trading Center within a member organization that has a displayed quotation for the account of that Trading Center on a principal (excluding riskless principal) basis, via either a processor or an SRO Quotation Feed, at a price equal to the traded-at Protected Quotation, that was displayed before the order was received, but only up to the full displayed size of that independent trading unit's previously displayed quote;

(iii) The order is of Block Size at the time of origin and may not be:

A. an aggregation of non-block orders; or

B. broken into orders smaller than Block Size prior to submitting the order to a Trading Center for execution.

(iv) The order is a Retail Investor Order executed with at least \$0.005 price improvement;

(v) The order is executed when the Trading Center displaying the Protected Quotation that was traded at was experiencing a failure, material delay, or malfunction of its systems or equipment;

(vi) The order is executed as part of a transaction that was not a "regular way" contract;

(vii) The order is executed as part of a single-priced opening, reopening, or closing transaction on the Exchange;

- (viii) The order is executed when a Protected Bid was priced higher than a Protected Offer in the Pilot Security;
- (ix) The order is identified as a Trade-at Intermarket Sweep Order;
- (x) The order is executed by a Trading Center that simultaneously routed Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders to execute against the full displayed size of the Protected Quotation that was traded at;
- (xi) The order is executed as part of a Negotiated Trade;
- (xii) The order is executed when the Trading Center displaying the Protected Quotation that was traded at had displayed, within one second prior to execution of the transaction that constituted the Trade-at, a Best Protected Bid or Best Protected Offer, as applicable, for the Pilot Security with a price that was inferior to the price of the Trade-at transaction;
- (xiii) The order is executed by a Trading Center which, at the time of order receipt, the Trading Center had guaranteed an execution at no worse than a specified price (a "stopped order"), where:

  - A. The stopped order was for the account of a customer;
  - B. The customer agreed to the specified price on an order-by-order basis; and
  - C. The price of the Trade-at transaction was, for a stopped buy order, equal to or less than the National Best Bid in the Pilot Security at the time of execution or, for a stopped sell order, equal to or greater than the National Best Offer in the Pilot Security at the time of execution, as long as such order is priced at an acceptable increment;
- (xiv) The order is for a fractional share of a Pilot Security, provided that such fractional share order was not the result of breaking an order for one or more whole shares of a Pilot Security into orders for fractional shares or was not otherwise effected to evade the requirements of the Trade-at Prohibition or any other provisions of the Plan; or
- (xv) The order is to correct a bona fide error, which is recorded by the Trading Center in its error account. A bona fide error is defined as:

  - A. The inaccurate conveyance or execution of any term of an order including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

B. The unauthorized or unintended purchase, sale, or allocation of securities, or the failure to follow specific client instructions;

C. The incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

D. A delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(D) No member organization shall break an order into smaller orders or otherwise effect or execute an order to evade the requirements of the Trade-at Prohibition of this Rule or any other provisions of the Plan.

(f) Exchange handling of orders during the Pilot Period for the Plan.

(1) Trade-at Intermarket Sweep Orders ("TA ISO")

(A) The Exchange will accept TA ISOs in all securities. TA ISOs must be designated as IOC, may not be designated with an MTS, and do not route.

(B) A TA ISO will be immediately traded with contra-side displayed and nondisplayed interest in the Exchange Book up to its full size and limit price and the quantity not so traded will be immediately and automatically cancelled.

(2) For Pilot Securities in Test Groups One, Two and Three:

(A) References in Exchange rules to the MPV, as defined in Rule 7.6, instead mean the quoting MPV specified in paragraphs (c), (d), and (e) of this Rule. References to truncating to the MPV in Exchange rules instead mean rounding down to the applicable quoting MPV for Pilot Securities.

(B) MPL Orders must be entered with a limit price in a \$0.05 pricing increment.

(3) Reserved.

(4) Reserved.

(5) For Pilot Securities in Test Group Three:

(A) At each price point, the priority of resting orders for ranking will be:

(i) Priority 2 - Display Orders. Non-marketable Limit Orders with a displayed working price have first priority.

(ii) Protected Quotations of Away Markets. Protected quotations of Away Markets have second priority.

(iii) Priority 1 - Market Orders. Unexecuted Market Orders have third priority.

(iv) Priority 3 - Non-Display Orders. Non-marketable Limit Orders for which the working price is not displayed, including reserve interest of Reserve Orders, have fourth priority.

(B) At each price point, an Aggressing Order will be allocated against contra-side orders as follows:

(i) First, an order with Setter Priority that has a display price and working price equal to the BBO will receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. An order with Setter Priority is eligible for Setter Priority allocation if the BBO is no longer the same as the NBBO.

(ii) Next, orders ranked Priority 2 – Displayed Orders will be allocated on parity by Participant. The remaining quantity of the order with Setting Priority is eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority.

(iii) Next, subject to paragraph (f)(5)(F) of this Rule, the Exchange will route the Aggressing Order to protected quotations of Away Markets.

(iv) Next, orders ranked Priority 1 - Market Orders will trade based on time.

(v) Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS, will be allocated on parity by Participant.

(vi) Next, MPL Orders with an MTS will be allocated based on MTS size (smallest to largest) and time.

(C) The display price of Limit Orders to buy (sell) repriced under Rule 7.31(a)(2)(C) will be the same as provided for in that rule, but the working price of such orders will be the same as the display price.

(D) If a Reserve Order to buy (sell) is displayed at a price that is locked or crossed by a protected offer (bid), the portion of the Reserve Order that is not displayed will be assigned a working price \$0.05 below (above) the protected offer (bid), but if routable, will route to a protected offer (bid) based on the limit price of the order.

(E) If the limit price of a resting Limit Non-Displayed Order to buy (sell) is equal to or higher (lower) than the PBO (PBB), it will have a working price \$0.05 below (above) the PBO (PBB).

(F) Orders with instructions not to route, as defined in Rule 7.31(e):

(i) On arrival, orders with instructions not to route will trade with resting orders in the Exchange Book consistent with the terms of the order and the Trade-At Prohibition.

(a) On arrival, Day ISOs will be eligible for the exception set forth in paragraph (e)(4)(C)(ix) of this Rule.

(b) An IOC ISO to buy (sell) will not trade with orders to sell (buy) ranked Priority 1 - Market Orders or Priority 3 - Non-Display Orders that are the same price as a protected offer (bid) unless the limit price of such IOC ISO is higher (lower) than the price of protected offer (bid).

(ii) When being added to the Exchange Book, a Limit Non-Routable Order or ALO Order to buy (sell) with a limit price equal to or above (below) the PBO (PBB) will be assigned a display price and working price one MPV below (above) the PBO (PBB).

(iii) Once resting on the Exchange Book, a Limit Non-Routable Order or ALO Order to buy (sell) will not be eligible to trade with later-arriving orders to sell (buy) ranked Priority 2 - Display Orders priced equal to the PBO (PBB). A later arriving order to buy (sell) that is eligible to trade with the PBO (PBB) may trade before such resting order.

**Commentary:**

.10 For purposes of the reporting requirement in Appendix B.II.(n), a Trading Center shall report "Y" to their DEA where it is relying upon the Retail Investor Order exception to Test Groups Two and Three, and "N" in all other instances.

.20 For purposes of Appendix B.I, the field "Affected by Limit-Up Limit-Down bands" shall be included. A Trading Center shall report a value of "Y" to their DEA when the ability of an order to execute has been affected by the Limit-Up Limit-Down (LULD) bands in effect at the time of order receipt. A Trading Center shall report a value of "N" to their DEA when the ability of an order to execute has not been affected by the LULD bands in effect at the time of order receipt. For purposes of Appendix B.I, the Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) fully executed domestically or (2) fully or partially executed on a foreign market. For purposes of Appendix B.II, the Participants shall classify all orders in Pilot Securities and Pre-Pilot Data Collection Securities that may trade in a foreign market as: (1) directed to a domestic venue for execution; (2) may only be directed to a foreign venue

for execution; or (3) fully or partially directed to a foreign venue at the discretion of the member organization.

.30 (a) For purposes of Appendix B.I.a(14), B.I.a(15), B.I.a(21) and B.I.a(22), the time ranges shall be changed as follows:

(1) Appendix B.I.a(14A): The cumulative number of shares of orders executed from 100 microseconds to less than 1 millisecond after the time of order receipt;

(2) Appendix B.I.a(15): The cumulative number of shares of orders executed from 1 millisecond to less than 100 milliseconds after the time of order receipt;

(3) Appendix B.I.a(21A): The cumulative number of shares of orders canceled from 100 microseconds to less than 1 millisecond after the time of order receipt; and

(4) Appendix B.I.a(22): The cumulative number of shares of orders canceled from 1 millisecond to less than 100 milliseconds after the time of order receipt.

(b) For purposes of Appendix B.I.a(21) through B.I.a(27), unexecuted Immediate or Cancel orders shall be categorized separately irrespective of the duration of time after order receipt.

.40 For purposes of Appendix B.I.a(31)-(33), the relevant measurement is the time of order receipt.

.50 For purposes of Appendix B, the following order types and numbers shall be included and assigned the following numbers: "not held" orders (18); clean cross orders (19); auction orders (20); orders that cannot otherwise be classified, including orders received when the NBBO is crossed (21); and limit orders priced more than \$0.10 away from NBBO (22). For purposes of order types 12-14 in Appendix B, such order types shall include all orders and not solely "resting" orders.

.60 A member organization shall not be deemed a Trading Center for purposes of Appendix B of the Plan where that member organization only executes orders otherwise than on a national securities exchange for the purpose of: (i) correcting a bona fide error related to the execution of a customer order; (ii) purchases a security from a customer at a nominal price solely for purposes of liquidating the customer's position; or (iii) completing the fractional share portion of an order.

.70 A Trading Center shall begin the data collection required pursuant to Appendix B.I.a(1) through B.II.(y) of the Plan and Item I of Appendix C of the Plan on April 4, 2016. The requirement that the Exchange or their DEA provide information to the SEC within 30 days following month end pursuant to Appendix B and C of the Plan shall commence at the beginning of the Pilot Period. Notwithstanding the provisions of paragraphs (b)(2), (b)(3)(C) and (b)(5) of this Rule, with respect to data for the Pre- Pilot Period and Pilot Period, the requirement that the Exchange or their DEA make Appendix



B data publicly available on the Exchange's or DEA's website shall commence on August 31, 2017. Notwithstanding the provisions of paragraph (b)(4) of this Rule, the Exchange or their DEA shall make Appendix C data for the Pre-Pilot Period through January 2017 publicly available on the Exchange's or DEA's website by February 28, 2017.

.80 For purposes of Item I of Appendix C, the Participants shall calculate daily Market Maker realized profitability statistics for each trading day on a daily last in, first out (LIFO) basis using reported trade price and shall include only trades executed on the subject trading day. The daily LIFO calculation shall not include any positions carried over from previous trading days. For purposes of Item I.c of Appendix C, the Participants shall calculate daily Market Maker unrealized profitability statistics for each trading day on an average price basis. Specifically, the Participants must calculate the volume weighted average price of the excess (deficit) of buy volume over sell volume for the current trading day using reported trade price. The gain (loss) of the excess (deficit) of buy volume over sell volume shall be determined by using the volume weighted average price compared to the closing price of the security as reported by the primary listing exchange. In calculating unrealized trading profits, the Participant also shall report the number of excess (deficit) shares held by the Market Maker, the volume weighted average price of that excess (deficit), and the closing price of the security as reported by the primary listing exchange used in reporting unrealized profit.

.90 "Pre-Pilot Data Collection Securities" are the securities designated by the Participants for purposes of the data collection requirements described in Items I, II and 48 of 48 IV of Appendix B and Item I of Appendix C of the Plan for the period beginning six months prior to the Pilot Period through thirty-one days prior to the Pilot Period. The Participants shall compile the list of Pre-Pilot Data Collection Securities by selecting all NMS stocks with a market capitalization of \$5 billion or less, a Consolidated Average Daily Volume (CADV) of 2 million shares or less and a closing price of \$1 per share or more. The market capitalization and the closing price thresholds shall be applied to the last day of the pre-pilot measurement period, and the CADV threshold shall be applied to the duration of the pre-pilot measurement period. The Pre-Pilot measurement period shall be the three calendar months ending on the day when the Pre-Pilot Data Collection Securities are selected. The Pre-Pilot Data Collection Securities shall be selected thirty days prior to the commencement of the six-month Pre-Pilot Period.

.100 For purposes of Appendix B.IV, the count of the number of Market Makers used in the calculation of share (trade) participation shall be added to each category. For purposes of Appendix B.IV(b) and (c), share participation and trade participation shall be calculated by using a total count instead of a share-weighted average or a trade-weighted average. For purposes of Appendix B, B.IV(d) (cross-quote share (trade) participation), (e) (inside-the-quote share (trade) participation), (f) (at-the-quote share (trade) participation), and (g) (outside-the-quote share (trade) participation), shall be calculated by reference to the National Best Bid or National Best Offer in effect immediately prior to the trade.

\*\*\*\*\*

### **Rule 13. Orders and Modifiers**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

Unless otherwise specified in this Rule, Rule 70 (for Floor brokers), or Rule 104 (for DMMs), orders and modifiers are available for all member organizations.

\*\*\*\*\*

### **Rule 15. Pre-Opening Indications and Opening Order Imbalance Information**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) *Pre-Opening Indications:* A pre-opening indication will include the security and the price range within which the opening price is anticipated to occur. A pre-opening indication will be published via the securities information processor and proprietary data feeds.

\*\*\*\*\*

### **Rule 15A. Order Protection Rule**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

Where any better-priced protected bid or offer as defined in SEC Rule 242.600(b)(57) is published by another market center, and the price associated with such published better bid or offer has not been systemically matched on the Exchange, the Exchange will automatically route to such other market center an order priced at such published bid or offer, unless the trade-through that would occur if the Exchange did not route to the other market center falls within an exception set forth in SEC Rule 242.611(b) or within an exemption granted by the Securities and Exchange Commission pursuant to SEC Rule 242.611(d). If such order is not filled or not filled in its entirety, the balance will be returned to the Exchange and handled consistent with the order's instructions, which includes automatic execution, if available. The order entry time associated with the returned portion of the order will be the time of its return, not the time the order was first entered with the Exchange.

\*\*\*\*\*

### **Rule 19. Locking or Crossing Protected Quotations in NMS Stocks**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) Definitions. For purposes of this Rule, the following definitions shall apply:

\*\*\*\*\*

### **Rule 61. Recognized Quotations**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### **Round lots, Odd lots and Part of Round Lot ("PRL")**

a. Bids and offers in securities

\*\*\*\*\*

### **Rule 67. Tick Size Pilot Plan**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

The provisions of this Rule will be in effect during a pilot to coincide with the pilot period for the Regulation NMS Tick Size Pilot Plan.

\*\*\*\*\*

### **Rule 70. Execution of Floor Broker Interest**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a)

(i) With respect to orders he is representing on the Floor, a Floor broker may place within Exchange systems broker agency interest files (also referred to as e-Quotes<sup>SM</sup>) at multiple price points on both sides of the market with respect to each security trading in the location(s) comprising the Crowd such Floor broker is a part of with respect to orders he or she is representing on the Floor, except that the agency interest files shall not include Market Orders or ISOs.

\*\*\*\*\*

### **Rule 72. Priority of Bids and Offers and Allocation of Executions**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) Priority of First Bid or Offer

(i) As used in this rule, the term "displayable" shall mean that portion of interest that could be published as, or as part of, the Exchange BBO, including pegging interest. Displayable odd-lot orders will be published as part of the Exchange BBO if, when aggregated with other interest available for execution at that price point, the sum of the odd-lot order and other interest available at that price point would be equal to or greater than a round lot. The term "displayed interest" includes that part of an order that is

published as, or as part of, the Exchange BBO, which may include one or more odd-lot orders.

\*\*\*\*\*

#### **Rule 74. Publicity of Bids and Offers**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

A claim by a member who states that he had on the Floor a prior or better bid or offer shall not be sustained if the bid or offer was not made with the publicity and frequency necessary to make the existence of such bid or offer generally known at the time of the transaction.

#### **Rule 75. Disputes as to Bids and Offers**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

Disputes arising on bids or offers, if not settled by agreement between the members interested, shall be settled by a Floor Official. In rendering a decision as to disputes regarding the amount traded, the Floor Official shall give primary weight to statements by any member who was not a party to the transaction and shall also take into account the size of orders held by parties to the disputed transaction, and such other facts as he deems relevant. If both parties to a dispute agree, and the dispute involves either a monetary difference of \$10,000 or more or a questioned trade, the matter may be referred for resolution to a panel of three Floor Governors, Senior Floor Officials, or Executive Floor Officials, or any combination thereof, whose decision shall be binding on the parties. As an alternative to a panel of three Floor Governors, Senior Floor Officials, or Executive Floor Officials, or any combination thereof, members may also proceed to resolve a dispute through long-standing arbitration procedures established under the Exchange's Rules.

\*\*\*\*\*

#### **Rule 76. "Crossing" Orders**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

When a member has an order to buy and an order to sell the same security, he or she shall offer such security at a price which is higher than his or her bid by the minimum variation permitted in such security before making a transaction with himself or herself. All such bids and offers shall be clearly announced to the trading Crowd before the member may proceed with the proposed "cross" transaction.

\*\*\*\*\*

**Rule 77. Prohibited Dealings and Activities**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

No member shall offer publicly on the Floor:

\*\*\*\*\*

**Rule 79A. Miscellaneous Requirements on Stock Market Procedures**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

••• *Supplementary Material:* -----

**.10 Request to make better bid or offer.**—When any Floor broker does not bid or offer at the limit of an order which is better than the currently quoted price in the security and is requested by his principal to bid or offer at such limit, he shall do so.

\*\*\*\*\*

**Rule 80C. Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

The provisions of this Rule shall be in effect during a pilot to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility.

\*\*\*\*\*

**Rule 103B. Security Allocation and Reallocation**

***I. ASSIGNMENT OF SECURITIES***

Securities are allocated to a qualified DMM unit when: (1) a security is to be initially listed on the Exchange; and (2) a security previously assigned to a DMM member organization must be re-assigned pursuant to this Rule or the NYSE Listing Company Manual. UTP Securities will not be allocated to a DMM unit.

\*\*\*\*\*

**Rule 107B. Supplemental Liquidity Providers**

(a) For purposes of this Rule, a Supplemental Liquidity Provider ("SLP") is a member organization that electronically enters proprietary orders or quotes from off the Floor of the Exchange into the systems and facilities of the Exchange and is obligated to maintain

a bid or an offer at the National Best Bid ("NBB") or the National Best Offer ("NBO") in each assigned security in round lots averaging at least 10% of the trading day (see Section (g) below) and for all assigned SLP securities, adds liquidity of an average daily volume ("ADV") of more than a specified percentage of consolidated average daily volume ("CADV") in all NYSE-[listed]traded securities, as set forth in the Exchange's Price List, on a monthly basis. An SLP can be either a proprietary trading unit of a member organization ("SLP-Prop") or a registered market maker at the Exchange ("SLMM").

\*\*\*\*\*

### **Rule 107C. Retail Liquidity Program**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### **(a) Definitions.**

- (1) Retail Liquidity Provider. A "Retail Liquidity Provider" or "RLP" is a member organization that is approved by the Exchange under this Rule to act as such and that is required to submit Retail Price Improvement in accordance with this Rule.

\*\*\*\*\*

### **Rule 108. Limitation on Members' Bids and Offers**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### **(a) On parity**

No bid or offer made by a member or made on an order for stock originated by a member while on the Floor to establish or increase a position in such stock for an account in which such member has an interest shall be entitled to parity with a bid or offer made on an order originated off the Floor, except that such a bid or offer shall be entitled to parity with a bid or offer made on an order originated off the Floor and being executed pursuant to Section 11(a)(1)(G) of the Act and Rule 11a1-1(T) thereunder. The foregoing shall not apply to DMMs.

\*\*\*\*\*

### **Rule 111. Reports of Executions**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### **Reports by Non-Competitive Traders.**

Form 82-B-Report filed monthly. Any transactions initiated on the Floor by a member for any account in which he has an interest:

\*\*\*\*\*

**Rule 115A. Orders at Opening**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

**(a) Arranging an opening or price.** When arranging an opening or reopening price:

\*\*\*\*\*

**Rule 116. "Stop" Constitutes Guarantee**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

An agreement by a member to "stop" securities at a specified price shall constitute a guarantee of the purchase or sale by him of the securities at that price or its equivalent.

If an order is executed at a less favorable price than that agreed upon, the member who agreed to stop the securities shall be liable for an adjustment of the difference between the two prices.

\*\*\*\*\*

**Rule 123A. Miscellaneous Requirements**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

••• *Supplementary Material:* -----

**.10** Reserved

**.20 Day Orders**

Members will facilitate business on the Floor by sending their orders as early as possible before the opening.

\*\*\*\*\*

**Rule 123B. Exchange Automated Order Routing System**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) The Exchange's SuperDot System (hereafter referred to as "the System") provides automated order routing and reporting services to facilitate the timely and efficient transmission, execution, and reporting of market and limit orders on the Exchange. Members and member organizations may transmit orders by means of the System of such size as the Exchange may specify from time to time. However, special features of these systems, as described in paragraph (b) below, may be available only to orders of a particular smaller size, as the Exchange may specify from time to time.

\*\*\*\*\*

### **Rule 123C. The Closing Procedures**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### **(1) Definitions for the Purpose of this Rule.**

\*\*\*\*\*

### **Rule 123D. Openings and Halts in Trading**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) **Openings:** Unless otherwise specified, references to an open or opening in paragraph (a) of this Rule also mean a reopening following a trading halt or pause in a security.

\*\*\*\*\*

### **Rule 127. Block Crosses Outside the Prevailing NYSE Quotation**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) A member organization that receives an order or orders for the purchase or sale of a block of stock, that may not readily be absorbed by the market, should explore in depth the market on the Floor. Unless professional judgment dictates otherwise, this should include checking with the DMM to ascertain the extent of the DMM's interest in participating at an indicated price or prices. The DMM should maintain the same depth and normal variations between sales as he or she would had he or she not learned of the block.

\*\*\*\*\*

### **Rule 128. Clearly Erroneous Executions For NYSE Equities**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*



The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule, as amended on September 10, 2010, and the provisions of paragraphs (i) through (k), shall be in effect during a pilot period to coincide with the pilot period for the Limit Up-Limit Down Plan, including any extensions to the pilot period for the Plan. If the Plan is not either extended or approved as permanent, the prior versions of sections (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

\*\*\*\*\*

#### **Rule 440B. Short Sales**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### **Short Sales**

- (a) **Definitions.** For purposes of this Rule, the terms "covered security", "listing market", and "national best bid" shall have the same meaning as such terms have in Rule 201 of Regulation SHO.

\*\*\*\*\*

#### **Automatic Executions (Rules 1000—1004)**

#### **Rule 1000. Automatic Executions**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

#### Maximum Order Size for Automatic Executions

Market and limit orders of such size as the Exchange may specify from time to time are eligible to initiate or participate in automatic executions. Orders up to 1,000,000 shares are eligible for automatic execution. Incoming orders of more than 1,000,000 shares that are marketable on arrival will be rejected. Upon advance notice to market participants, the Exchange may increase the order size eligible for automatic executions up to 5,000,000 shares on a security-by-security basis.

\*\*\*\*\*

#### **Rule 1001. Execution of Automatically Executing Orders**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) Subject to Rule 1000, automatically executing orders shall be executed and immediately reported. The contra side of the execution shall be as follows:

\*\*\*\*\*

**Rule 1002. Availability of Automatic Execution Feature**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

Automatic executions in a particular security, including Investment Company Units (as defined in paragraph 703.16 of the Listed Company Manual), Trust Issued Receipts (as defined in Rule 1200), streetTRACKS® Gold Shares (as defined in Rule 1300 et seq.), Currency Trust Shares (as defined in Rule 1300A et seq.), Commodity Trust Shares (as defined in Rule 1300B et seq.) or any security governed by Rule series 1100, 1200, 1300, 1300A or 1300B, shall be available after the Exchange has disseminated a published bid or offer in the relevant security, until the close of regular trading on the Exchange in such security Orders that are entered prior to the dissemination of a bid or offer in the relevant security shall be handled as non-auto-ex market or limit orders except that an incoming commitment to trade received through ITS will be cancelled.

\*\*\*\*\*

**Rule 1004. Election of Buy Minus Zero Plus Orders**

*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

Automatic executions of transactions reported to the Consolidated Tape shall elect Buy Minus Zero Plus orders electable at the price of such executions. Any Buy Minus Zero Plus orders so elected shall be automatically executed as Market Orders pursuant to Exchange rules.

\*\*\*\*\*