

Additions underlined
Deletions [bracketed]

Rules of New York Stock Exchange LLC

Rule 1P DEFINITIONS

Rule 1.1. Definitions

As used in Exchange rules, unless the context requires otherwise, the terms below will mean the following:

Market Maker Authorized Trader

(p) The term “Market Maker Authorized Trader” or “MMAT” means an Authorized Trader who performs market making activities pursuant to Rule 7P on behalf of a Non-DMM Market Maker.

Marketable

([p]q)

NBBO, Best Protected Bid, Best Protected Offer, Protected Best Bid and Offer (PBBO)

([q]r)

NMS Stock

([r]s)

Non-DMM Market Maker

(t) The term “Non-DMM Market Maker” means a member organization that acts as a Non-DMM Market Maker pursuant to Rule 7P.

Official Closing Price

([s]u)

Protected Bid, Protected Offer, Protected Quotation

([t]v)

Security

([u]w)

Self-Regulatory Organization (“SRO”)

([v]x)

Trade-Through

([w]y)

Trading Facilities

([x]z)

UTP Listing Market

([y]aa)

UTP Regulatory Halt

([z]bb)

UTP Security

([aa]cc)

Rule 7P EQUITIES TRADING

Section 2. [Reserved]Non-DMM Market Makers

Rule 7.20. Registration of Non-DMM Market Makers

(a) No member organization will act as a Non-DMM Market Maker in any security unless such member organization is registered as a Non-DMM Market Maker in such security by the Exchange pursuant to this Rule and the Exchange has not suspended or canceled such registration. Registered Non-DMM Market Makers are designated as dealers on the Exchange for all purposes under the Securities Exchange Act of 1934 and the rules and regulations thereunder.

(b) An applicant for registration as a Non-DMM Market Maker will file an application in writing on such form as the Exchange may prescribe. Applications will be reviewed by the Exchange, which will consider the member organization's capital, operations, personnel, technical resources, and disciplinary history. After reviewing the application, the Exchange will either approve or disapprove the member organization's registration as a Non-DMM Market Maker.

(c) An applicant's registration as a Non-DMM Market Maker will become effective upon receipt by the member organization of notice of an approval of registration by the Exchange. In the event that an application is disapproved by the Exchange, the applicant will have an opportunity to be heard upon the specific grounds for the denial, in accordance with the provisions of the Rule 9500 Series.

(d) The registration of a Non-DMM Market Maker may be suspended or terminated by the Exchange upon a determination of any substantial or continued failure by such Non-DMM Market Maker to engage in dealings in accordance with Rule 7.23.

(e) Any registered Non-DMM Market Maker may withdraw its registration by giving written notice to the Exchange. Such withdrawal of registration will become effective on the business day following the Exchange's receipt of the notice. A Non-DMM Market Maker that fails to notify the Exchange of its written notice of withdrawal on the business day prior to such withdrawal may be subject to formal disciplinary action pursuant to the Rule 9200 Series. Subsequent to withdrawal, the member organization will not be permitted to re-register as a Non-DMM Market Maker for a period of six months.

Rule 7.21. Obligations of Market Maker Authorized Traders

(a) General. MMATs are permitted to enter orders only for the account of the Non-DMM Market Maker for which they are registered.

(b) Registration of Market Maker Authorized Traders. The Exchange may, upon receiving an application in writing from a Non-DMM Market Maker on a form prescribed by the Exchange, register a person as a MMAT.

- (1) MMATs may be officers, partners, employees or other associated persons of member organizations that are registered with the Exchange as Non-DMM Market Makers.
- (2) To be eligible for registration as a MMAT, a person must successfully complete the Securities Trader Examination (Series 57) and complete a training and certification program sponsored by the Exchange; provided, however, the requirement to complete the Series 57 Examination may be waived by the Exchange if the applicant MMAT has served as a dealer-specialist or market maker on a registered national securities exchange or association for at least two consecutive years within three years of the date of application.
- (3) The Exchange may require a Non-DMM Market Maker to provide additional information the Exchange considers necessary to establish whether registration should be granted.
- (4) The Exchange may grant a person conditional registration as a MMAT subject to any conditions it considers appropriate in the interests of maintaining a fair and orderly market.
- (5) A Non-DMM Market Maker must ensure that a MMAT is properly qualified to perform market making activities, including but not limited to ensuring the MMAT has met the requirements set forth in paragraph (b)(2) of this Rule.

(c) Suspension or Withdrawal of Registration.

- (1) The Exchange may suspend or withdraw the registration previously given to a person to be a MMAT if the Exchange determines that:

- (A) the person has caused the Non-DMM Market Maker to fail to comply with the securities laws, rules and regulations or the Rules and procedures of the Exchange;
 - (B) the person is not properly performing the responsibilities of a MMAT;
 - (C) the person has failed to meet the conditions set forth under paragraph (b) above; or
 - (D) the Exchange believes it is in the interest of maintaining fair and orderly markets.
- (2) If the Exchange suspends the registration of a person as a MMAT, the Non-DMM Market Maker must not allow the person to submit orders into the Exchange.
- (3) The registration of a MMAT will be withdrawn upon the written request of the member organization for which the MMAT is registered. Such written request will be submitted on the form prescribed by the Exchange.

Rule 7.22. Registration of Non-DMM Market Makers in a Security

(a) A Non-DMM Market Maker may become registered in a newly authorized security or in a security already admitted to dealings on the Exchange by submitting a request to the Exchange. Registration in the security will become effective on the first business day following the Exchange's approval of the registration. In considering the approval of the registration of the Non-DMM Market Maker in a security, the Exchange may consider:

- (1) the financial resources available to the Non-DMM Market Maker;
- (2) the Non-DMM Market Maker's experience, expertise and past performance in making markets, including the Non-DMM Market Maker's performance in other securities;
- (3) the Non-DMM Market Maker's operational capability;
- (4) the maintenance and enhancement of competition among Non-DMM Market Makers in each security in which they are registered;
- (5) the existence of satisfactory arrangements for clearing the Non-DMM Market Maker's transactions;
- (6) the character of the market for the security, e.g., price, volatility, and relative liquidity.

(b) A Non-DMM Market Maker's registration in a security may be terminated by the Exchange if the Non-DMM Market Maker fails to enter quotations in the security within five (5) business days after the Non-DMM Market Maker's registration in the security becomes effective.

(c) Reserved.

(d) Reserved.

(e) Voluntary Termination of Security Registration. A Non-DMM Market Maker may voluntarily terminate its registration in a security by providing the Exchange with a one-day written notice of such termination. A Non-DMM Market Maker that fails to give advanced written notice of termination to the Exchange may be subject to formal disciplinary action pursuant to the Rule 9200 Series.

(f) The Exchange may suspend or terminate any registration of a Non-DMM Market Maker in a security or securities under this Rule whenever, in the Exchange's judgment, the interests of a fair and orderly market are best served by such action.

(g) A member organization may seek review of any action taken by the Exchange pursuant to this Rule, including the denial of the application for, or the termination or suspension of, a Non-DMM Market Maker's registration in a security or securities, in accordance with the Rule 9500 Series.

Rule 7.23. Obligations of Non-DMM Market Makers

(a) General. Member organizations registered as Non-DMM Market Makers in one or more securities traded on the Exchange must engage in a course of dealings for their own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets on the Exchange in accordance with this Rule. The responsibilities and duties of a Non-DMM Market Maker specifically include, but are not limited to, the following:

(1) A Non-DMM Market Maker will maintain continuous, two-sided trading interest in those securities in which the Non-DMM Market Maker is registered to trade ("Two-Sided Obligation").

(A) Two-Sided Obligation. For each security in which a member organization is registered as a Non-DMM Market Maker, in satisfaction of the member organization's Two-Sided Obligation, the member organization will be willing to buy and sell such security for its own account on a continuous basis during Core Trading Hours and will enter and maintain two-sided trading interest that is identified to the Exchange as the interest meeting the Two-Sided Obligation and is displayed in the Exchange Book at all times. Interest eligible to be considered as part of a Non-DMM Market Maker's Two-Sided Obligation will have a displayed size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Non-DMM Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. After an execution against its Two-Sided Obligation, a Non-DMM Market Maker must ensure that additional trading interest exists in the Exchange Book to satisfy its Two-Sided Obligation either by

immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the Exchange Book that will satisfy this obligation.

- (B) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a Non-DMM Market Maker will adhere to the pricing obligations established by this Rule during Core Trading Hours; provided, however, that such pricing obligations (i) will not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) will be suspended during a trading halt, suspension, or pause, and will not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.
- (i) Bid (Offer) Quotations. At the time of entry of bid (offer) interest satisfying the Two-Sided Obligation, the price of the bid (offer) interest will be not more than the Designated Percentage away from the then current National Best Bid (Offer), or if no National Best Bid (Offer), not more than the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that the National Best Bid (Offer) (or if no National Best Bid (Offer), the last reported sale) increases (decreases) to a level that would cause the bid (offer) interest of the Two-Sided Obligation to be more than the Defined Limit away from the National Best Bid (Offer) (or if no National Best Bid (Offer), the last reported sale) or if the bid (offer) is executed or cancelled, the Non-DMM Market Maker will enter new bid (offer) interest at a price not more than the Designated Percentage away from the then current National Best Bid (Offer) (or if no National Best Bid (Offer), the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.
- (ii) The National Best Bid and Offer will be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.
- (iii) For purposes of this Rule, the “Designated Percentage” will be 8% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan (“Tier 1 NMS Stocks”), 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan (“Tier 2 NMS Stocks”) with a price equal to or greater than \$1.00, and 30% for Tier 2 NMS Stocks with a price lower than \$1.00, except that between 9:30 a.m. Eastern Time and 9:45 a.m. Eastern Time and between 3:35 p.m. Eastern Time and the close of Core Trading Hours, the Designated Percentage will be 20% for Tier 1 NMS Stocks, 28% for Tier 2 NMS Stocks with a price

equal to or greater than \$1.00, and 30% for Tier 2 NMS Stocks with a price lower than \$1.00. For purposes of this paragraph, rights and warrants will be considered Tier 2 NMS Stocks.

- (iv) For purposes of this rule, the “Defined Limit” will be 9.5% for Tier 1 NMS Stocks, 29.5% for Tier 2 NMS Stocks with a price equal to or greater than \$1.00, and 31.5% for Tier 2 NMS Stocks with a price lower than \$1.00, except that between 9.30 a.m. Eastern Time and 9:45 a.m. Eastern Time and between 3:35 p.m. Eastern Time and the close of Core Trading Hours, the Defined Limit will be 21.5% for Tier 1 NMS Stocks, 29.5% for Tier 2 NMS Stocks with a price equal to or greater than \$1.00, and 31.5% for Tier 2 NMS Stocks with a price lower than \$1.00. For purposes of this paragraph, rights and warrants will be considered Tier 2 NMS Stocks.

(C) Nothing in this Rule will preclude a Non-DMM Market Maker from entering trading interest at price levels that are closer to the National Best Bid and Offer than the levels required by this Rule.

- (2) A Non-DMM Market Maker will maintain adequate minimum capital in accordance with the provisions of Rule 15c3-1 under the Securities Exchange Act of 1934.
- (3) A Non-DMM Market Maker will remain in Good Standing with the Exchange.
- (4) A Non-DMM Market Maker will inform the Exchange of any material change in financial or operational condition or in personnel.
- (5) A Non-DMM Market Maker will clear and settle transactions through the facilities of a registered clearing agency. This requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a correspondent clearing arrangement with another member organization that clears trades through such agency.

(b) A Non-DMM Market Maker must satisfy the responsibilities and duties as set forth in paragraph (a) of this Rule during the Core Trading Hours on all days in which the Exchange is open for business.

(c) If the Exchange finds any substantial or continued failure by a Non-DMM Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Non-DMM Market Maker will be subject to disciplinary action or suspension or revocation of the registration by the Exchange in one or more of the securities in which the Non-DMM Market Maker is registered. Nothing in this Rule will limit any other power of the Board of Directors under the Bylaws, Rules, or procedures of the Exchange with respect to the registration of a Non-DMM Market Maker or in respect of any violation by a Non-DMM Market Maker of the provisions of this Rule. In accordance

with Rule 9200 Series, a member organization may seek review of actions taken by the Exchange pursuant to this Rule.

(d) *Temporary Withdrawal.* A Non-DMM Market Maker, other than a DMM, may apply to the Exchange to withdraw temporarily from its Non-DMM Market Maker status in the securities in which it is registered. The Non-DMM Market Maker must base its request on demonstrated legal or regulatory requirements that necessitate its temporary withdrawal, or provide the Exchange an opinion of counsel certifying that such legal or regulatory basis exists. The Exchange will act promptly on such request and, if the request is granted, the Exchange may temporarily reassign the securities to another Non-DMM Market Maker.
