

Additions underlined  
Deletions [bracketed]

**NYSE Arca, Inc.**

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**Rules of the NYSE Arca, Inc.**

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**Rule 3.2. Options Committees**

(a) No change

(b) *Options Committees.* As set forth below, the Board of Directors has delegated certain authority and functions to its committees. Action taken pursuant to delegated authority, however, is subject to review, ratification or rejection by the Board of Directors.

(1) No change

(2) *Nominating Committee.*

(A) *Composition.* The Nominating Committee shall have [seven] six members consisting of six OTP Holders [and one person from the public].

(B) [*Nomination,*] *Appointment [and Election].* The Board of Directors of NYSE Arca, Inc. shall appoint members of the Nominating Committee.

[(i) *Nomination.* Sixty-five days prior to the expiration of the term of its members, the Nominating Committee shall publish a slate of six eligible nominees to fill the positions during the next annual term of the Nominating Committee. OTP Holders in good standing may submit a petition to the Exchange in writing to nominate additional eligible candidates to fill the OTP positions during the next annual term, and upon written petition of the lesser of thirty-five (35) or 10 percent of OTP Holders in good standing on or before the forty-fifth day preceding the expiration of the existing term such person(s) shall also be nominated by the Nominating Committee; *provided, however* that no OTP Holder, either alone or together with (x) other OTP Holders associated with (as such term is defined in Section 3(a)(18) of the Exchange Act ) the same OTP Firm that such OTP Holder is associated with and (y) OTP Holders associated with OTP Firms that are affiliated (as such term is defined in Rule 12b-2 under the Exchange Act) with the OTP Firm that such OTP Holder is associated with, may account for more than 50% of the signatories to the petition endorsing a particular petition nominee for the OTP Holders' position on the Nominating Committee.

(ii) *Appointment.* Prior to the expiration of the term of the members of the Nominating Committee, the Chief Executive Officer shall appoint a person from the public to fill the public position during the next annual term of the Nominating Committee.

(iii) *Election.* In the event that OTP Holders or Allied Persons of an OTP Firm are nominated by the Nominating Committee pursuant to petition by the OTP Holders, and there are more than six nominees to fill the OTP Holders positions on the Nominating Committee, the Nominating Committee shall submit the nominees to the OTP Holders for election. Each OTP Holder in good standing shall be permitted to vote for up to six nominees and the six nominees receiving the most votes shall fill the OTP Holders positions as members during the next annual term of the Nominating Committee; *provided, however* that no OTP Holder, either alone or together with (x) other OTP Holders associated with the same OTP Firm that such OTP Holder is associated with and (y) OTP Holders associated with OTP Firms that are affiliated with the OTP Firm that such OTP Holder is associated with, may account for more than 20% of the votes cast for a particular nominee for the OTP Holders' position on the Nominating Committee. Tie votes shall be decided by the Board of Directors at its first meeting following the election.

(iv) *Acclamation of Slate.* In the event there are only six nominees to fill the OTP Holders positions on the Nominating Committee on or after the forty-fifth day prior to the expiration of the terms of the outgoing Nominating Committee, those six nominees shall be deemed elected to the next annual term of the Nominating Committee.]

(C) *Representatives to the Board of Directors of the NYSE Arca, Inc.*

(i) *Initial Board of Directors of Reorganized Exchange.* The initial Directors of the reorganized Exchange shall consist of individuals nominated by the Nominating Committee of the existing Exchange in consultation with the Chief Executive Officer and approved by the Board of Governors of the existing Exchange.

(ii) *Nomination.* [No later than sixty-five days prior to the expiration of the term of its Directors, t]The Nominating Committee shall publish the name of one (1) OTP Holder or Allied Person of an OTP Firm as its nominee for the Board of Directors of the NYSE Arca, Inc. Should the Board of Directors be made up of more than 10 individuals, as set forth in Section 3.02 of the Bylaws, then the Public Directors, after consulting with the CEO, shall determine whether the additional permit holder representative is an OTP Holder or an Equity Trading Permit Holder of NYSE Arca Equities, Inc. If it is determined that the additional representative is an OTP Holder, then the Nominating Committee shall nominate additional nominees so that at least twenty percent (20%) of the Directors consist of individuals nominated by trading permit holders. The names of the nominees shall be published on a date in each year (the "Announcement Date") sufficient to accommodate the process described in this Rule 3.2(b)(2)(C). After the name of proposed nominee(s) is published, OTP Holders in good standing may submit a petition to the Exchange in writing to nominate additional eligible candidate(s) to fill the

OTP Holder position during the next term[, and upon]. If a written petition of [the lesser of thirty five (35) or] at least 10 percent of OTP Holders in good standing [on or before the tenth (10th) business day after the Nominating Committee publishes its nominee for the Board of Directors] is submitted to the Nominating Committee within two weeks after the Announcement Date, such person(s) shall also be nominated by the Nominating Committee; provided, however, that no OTP Holder, either alone or together with (x) other OTP Holders associated with the same OTP Firm that such OTP Holder is associated with and (y) OTP Holders associated with OTP Firms that are affiliated with the OTP Firm that such OTP Holder is associated with, may account for more than 50% of the signatories to the petition endorsing a particular petition nominee for the OTP Holder's position on the Board of Directors of the NYSE Arca, Inc. [After the nomination by petition period has closed, the Board of Directors of NYSE Arca Holdings, Inc. shall have ten (10) business days to object to the nomination of any or all of the OTP Holder nominee(s). The Board of Directors of NYSE Arca Holdings, Inc., may, in its sole discretion, object to the nomination of a nominee. The Board of Directors of NYSE Arca Holdings, Inc. may object to the nomination of a nominee if the nominee has been disciplined by any securities SRO or the nominee would be subject to statutory disqualification within the meaning of Section 3(a)(39) of the Securities Exchange Act of 1934. Any nominee who is objected to by the Board of Directors of NYSE Arca Holdings, Inc. is not eligible to be considered as a nominee or petition candidate until the expiration of the current term of the Board of Directors. If the Board of Directors of NYSE Arca Holdings, Inc. objects to all of the proposed nominees, the Nominating Committee shall publish the name of an eligible alternative nominee(s) by the later of ten (10) business days after the Board of Directors of NYSE Arca Holdings, Inc. notifies the Secretary of the Exchange of their objection to the proposed nominee(s) or sixty-five days prior to the expiration of the term of the Directors. If the Board of Directors of NYSE Arca Holdings, Inc. objects to all of the original nominees, the above defined process shall continue with all of the same deadlines until the Nominating Committee nominates a nominee(s) that is not objected to by the Board of Directors of NYSE Arca Holdings, Inc.] Each petition for a petition candidate must include a completed questionnaire used to gather information concerning director candidates (the Exchange shall provide the form of questionnaire upon the request of any OTP Holder). Notwithstanding anything to the contrary, the Nominating Committee shall determine whether any petition candidate is eligible to serve on the Board of Directors (including whether such person is free of any statutory disqualification (as defined in section 3(a)(39) of the Exchange Act)), and such determination shall be final and conclusive.

(iii) *Selection of Nominees.* In the event that [the OTP Holder positions is nominated by the Nominating Committee pursuant to petition by the OTP Holders, and there are two or more nominees for the Board of Directors] the number of nominees exceeds the number of available seats, the Nominating Committee shall submit the contested nomination to the OTP Holders for selection. OTP Holders shall be afforded a confidential voting procedure and shall be given no less than 20 calendar days to submit their votes. Each OTP Holder in good standing may select one nominee for the contested seat on the Board of Directors; *provided, however* that no OTP Holder, either alone or together with (x) other OTP Holders associated with the same OTP Firm that such OTP Holder is

associated with and (y) OTP Holders associated with OTP Firms that are affiliated with the OTP Firm that such OTP Holder is associated with, may account for more than 20% of the votes cast for a particular nominee for the OTP Holders' position on the Board of Directors of NYSE Arca, Inc. With respect to the contested position, the nominee for the Board of Directors [selected by] receiving the most votes of OTP Holders shall be submitted by the Nominating Committee to the Board of Directors of the NYSE Arca, Inc. Tie votes shall be decided by the Board of Directors at its first meeting following the election.

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## **NYSE Arca Equities Rules**

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### **Rule 3.2. Equity Committees**

(a) No change

(b) *Equity Committees*. As set forth below, the Board of Directors has delegated certain authority and functions to its committees. Action taken pursuant to delegated authority, however, is subject to review, ratification or rejection by the Board of Directors.

(1) No change

(2) *Nominating Committee*.

(A) *Composition*. The Nominating Committee shall have [seven] six members consisting of six ETP Holders [and one person from the public].

(B) [*Nomination,*] *Appointment [and Election]*. The Board of Directors of NYSE Arca Equities, Inc. shall appoint members of the Nominating Committee.

[(i) *Nomination*. Sixty-five days prior to the expiration of the term of its members, the Nominating Committee shall publish a slate of six eligible nominees to fill the positions during the next annual term of the Nominating Committee. ETP Holders in good standing may submit a petition to the Corporation in writing to nominate additional eligible candidates to fill the ETP positions during the next annual term, and upon written petition of at least 10 percent of ETP Holders in good standing on or before the forty-fifth day preceding the expiration of the existing term such person(s) shall also be nominated by the Nominating Committee; *provided, however* that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates (as such term is defined in Rule 12b-2 under the Exchange Act), may account for more than 50% of the signatories to the petition endorsing a particular petition nominee for the ETP Holders' position on the Nominating Committee.

(ii) *Appointment.* Prior to the expiration of the term of the members of the Nominating Committee, the Chief Executive Officer shall appoint a person from the public to fill the public position during the next annual term of the Nominating Committee.

(iii) *Election.* In the event that ETP Holders, or allied persons of an ETP Holders, are nominated by the Nominating Committee pursuant to petition by the ETP Holders, and there are more than six nominees to fill the ETP Holders positions on the Nominating Committee, the Nominating Committee shall submit the nominees to the ETP Holders, collectively for election. Each ETP Holder in good standing shall be permitted to vote for up to six nominees and the six nominees receiving the most votes shall fill the ETP positions as members during the next annual term of the Nominating Committee; *provided, however* that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates, may account for more than 20% of the votes cast for a particular nominee for the ETP Holders' position on the Nominating Committee. Tie votes shall be decided by the Board of Directors at its first meeting following the election.

(iv) *Acclamation of Slate.* In the event there are only six nominees to fill the ETP positions on the Nominating Committee on or after the forty-fifth day prior to the expiration of the terms of the outgoing Nominating Committee, those six nominees shall be deemed elected to the next annual term of the Nominating Committee.]

(C) *Representatives to the Board of Directors of the Corporation and the Board of [Governors] Directors of the NYSE Arca, Inc.*

(i) *Nomination.* [Sixty-five days prior to the expiration of the term of its Directors, t]The Nominating Committee shall publish the names of two (2) ETP Holders, or persons affiliated with such Holders (in any combination) as its nominees for the Board of Directors of the Corporation and one ETP Holder, or [a]Allied [p]Person of an ETP Holder, as nominee for the Board of [Governors] Directors of the NYSE Arca, Inc. The nominee for the Board of [Governors] Directors of the NYSE Arca, Inc. may be a person nominated to the Board of Directors of the Corporation. The names of the nominees shall be published on a date in each year (the "Announcement Date") sufficient to accommodate the process described in this Rule 3.2(b)(2)(C). ETP Holders in good standing may submit a petition to the Corporation in writing to nominate additional eligible candidates to fill ETP positions during the next term[, and upon]. If a written petition of at least 10 percent of ETP Holders in good standing [on or before the forty-fifth day preceding the expiration of the existing term] is submitted to the Nominating Committee within two weeks of the Announcement Date, such person(s) shall also be nominated by the Nominating Committee; *provided, however*, that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates, may account for more than 50% of the signatories to a petition endorsing a particular petition nominee for the ETP Holders' position on the Board of Directors of the Corporation or the Board of [Governors] Directors of the NYSE Arca, Inc. Each petition for a petition candidate must include a completed questionnaire used to gather information concerning director candidates (the Exchange shall provide the form of questionnaire upon the request of any

ETP Holder). Notwithstanding anything to the contrary, the Nominating Committee shall determine whether any petition candidate is eligible to serve on the Board of Directors of the Corporation or the Board of Directors of the NYSE Arca, Inc. (including whether such person is free of any statutory disqualification (as defined in section 3(a)(39) of the Exchange Act)), and such determination shall be final and conclusive.

(ii) *Selection of Nominees.* In the event that [ETP positions are nominated by the Nominating Committee pursuant to petition by the ETP Holders, and there are three or more nominees for the Board of Directors or two or more nominees for the Board of Governors] the number of nominees exceeds the number of available seats, the Nominating Committee shall submit the contested nomination(s) to the ETP Holders for selection. ETP Holders shall be afforded a confidential voting procedure and shall be given no less than 20 calendar days to submit their votes. Each ETP Holder in good standing may select two nominees for contested seats on the Board of Directors of the Corporation and one nominee for contested seats on the Board of [Governors] Directors of the NYSE Arca, Inc.; *provided, however* that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates, may account for more than 20% of the votes cast for a particular nominee for the ETP Holders' position on the Board of Directors of the Corporation or the Board of [Governors] Directors of the NYSE Arca, Inc. With respect to contested positions, the two nominees for the Board of Directors of the Corporation and the nominee for the Board of [Governors] Directors of the NYSE Arca, Inc. [selected by] receiving the most votes of ETP Holders shall be submitted by the Nominating Committee to the Board of Directors of the Corporation or the Board of [Governors] Directors of the NYSE Arca, Inc., as the case may be. Similarly, the Nominating Committee shall submit uncontested nominees to the Board of Directors of the Corporation or the Board of Governors of the NYSE Arca, Inc., as the case may be. Tie votes shall be decided by the respective Board of Directors at its first meeting following the election.

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