

EXHIBIT 5

The text of the proposed rule change is below. Proposed new language is underlined; deletions are bracketed.

3301. Definitions

The following definitions apply to the Rule 3200 and 3300 Series for the trading of securities on PSX.

(a) The term “PSX,” or “System” shall mean the automated system for order execution and trade reporting owned and operated by the Exchange. The Exchange will operate PSX as an automated trading center for purposes of [r]Rule 600(b)(4) of Regulation NMS. PSX comprises:

(1) a montage for Quotes and Orders, referred to herein as the “PSX Book”, that collects and ranks all Quotes and Orders submitted by Participants;

[(1)] (2) an [o]Order execution service that enables Participants to automatically execute transactions in System Securities; and provides Participants with sufficient monitoring and updating capability to participate in an automated execution environment;

[(2)] (3) a trade reporting service that submits “locked-in” trades for clearing to a registered clearing agency for clearance and settlement; transmits last-sale reports of transactions automatically to the National Trade Reporting System, if required, for dissemination to the public and industry; and provides participants with monitoring and risk management capabilities to facilitate participation in a “locked-in” trading environment; and

[(3)] (4) [a] data feeds[(s)] that can be used to display with attribution to Participants’ MPIDs all Quotes and Displayed Orders on both the bid and offer side of the market for all price levels then within the PSX Market, and that disseminate such additional information about Quotes, Orders, and transactions within PSX as shall be reflected in the PSX Rules.

(b) No change.

(c) The term “PSX Participant” or “Participant” shall mean an entity that fulfills the obligations contained in Rule 3211 regarding participation in the System, and shall include:

(1) – (2) No change.

(3) “Order Entry Firms,” members that are registered as Order Entry Firms for purposes of entering orders in System Securities into the System. This term shall also include any

Electronic Communications Network or Alternative Trading System (as such terms are defined in Regulation NMS) that fails to meet all the requirements of Rule 3223.

(d) [With respect to System-provided quotation functionality:]

[(1)] The term “Quote” [shall] means a single bid or offer quotation submitted to the System by a Market Maker or Equities ECN and designated for display (price and size) next to the Participant’s MPID [by a Participant that is eligible to submit such quotations] in the PSX Book. Quotes are entered in the form of Orders with Attribution (as defined in Rule 3301B). Accordingly, all Quotes are also Orders.

[(2)] The term “Reserve Size” shall mean the System-provided functionality that permits a Participant to display in its Displayed Quote part of the full size of a proprietary or agency order, with the remainder held in reserve on an undisplayed basis. Both the displayed and non-displayed portions are available for potential execution against incoming orders. If the Displayed Quote is reduced to less than a normal unit of trading, the System will replenish the display portion from reserve up to at least a single round-lot amount. A new timestamp is created for the replenished portion of the order each time it is replenished from reserve, while the reserve portion retains the time-stamp of its original entry.]

(e) The term “Order” [shall] means an instruction to trade a specified number of shares in a specified System Security submitted to PSX by a Participant. An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the PSX Book when submitted to PSX. An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the PSX Book when submitted to PSX. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Rules 3301A and 3301B. [a single order or multiple orders at the same price submitted to the System by a Participant that is eligible to submit such orders and shall include:]

(f) The term “ET” means Eastern Standard Time or Eastern Daylight Time, as applicable.

(g) The term “Market Hours” means the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET (or such earlier time as may be designated by the Exchange on a day when PSX closes early). The term “System Hours” means the period of time beginning at 8:00 a.m. ET and ending at 5:00 p.m. ET (or such earlier time as may be designated by the Exchange on a day when PSX closes early). The term “Pre-Market Hours” means the period of time beginning at 8:00 a.m. ET and ending immediately prior to the commencement of Market Hours. The term “Post-Market Hours” means the period of time beginning immediately after the end of Market Hours and ending at 5:00 p.m. ET. The Exchange notes that in certain contexts, times cited in the PSX Rules may be approximate.

(h) The term “marketable” with respect to an Order to buy (sell) means that, at the time it is entered into the System, the Order is priced at the current Best Offer or higher (at the current Best Bid or lower).

(i) The term “market participant identifier” or “MPID” means a unique four-letter mnemonic assigned to each Participant in PSX. A Participant may have one or more than one MPID.

(j) The terms “Best Bid”, “Best Offer”, “National Best Bid and National Best Offer”, “Protected Bid”, “Protected Offer”, “Protected Quotation” and “Intermarket Sweep Order” shall have the meanings assigned to them under Rule 600 under SEC Regulation NMS; provided, however, that the terms “Best Bid”, “Best Offer”, “Protected Bid”, “Protected Offer”, and “Protected Quotation” shall, unless otherwise stated, refer to the bid, offer, or quotation of a market center other than PSX. The term “NBBO” shall mean the “National Best Bid and National Best Offer”.

(k) The term “minimum price increment” means \$0.01 in the case of a System Security priced at \$1 or more per share, and \$0.0001 in the case of a System Security priced at less than \$1 per share.

[(1) "Attributable Orders," which are orders that are designated for display (price and size) next to the Participant's MPID;]

[(2) "Displayed Orders," which are orders that are entered by a Participant that are designated for display (price and size) on an anonymous basis in the order display service of the System; and]

[(3) "Non-Displayed Orders," which are limit orders that are not displayed in the System, but nevertheless remain available for potential execution against all incoming orders until executed in full or cancelled.]

[(f) The term "Order Type" shall mean the unique processing prescribed for designated orders that are eligible for entry into the System, and shall include:]

[(1) "Discretionary Orders" are orders that have a displayed price and size, as well as a non-displayed discretionary price range, at which the entering party, if necessary, is also willing to buy or sell. The non-displayed trading interest is not entered into the System book but is, along with the displayed size, converted to an IOC buy (sell) order priced at the highest (lowest) price in the discretionary price range when displayed shares become available or an execution takes place at any price within the discretionary price range. The generation of this IOC order is triggered by the cancellation of the open shares of the Discretionary Order. If more than one Discretionary Order is available for conversion to an IOC order, the system will convert all such orders at the same time and priority will be given to the first IOC order(s) that reaches the trading interest on the other side of the market. If an IOC order is not executed in full, the unexecuted portion of the order is

automatically re-posted and displayed in the System book with a new time stamp, at its original displayed price, and with its non-displayed discretionary price range.]

[(2) "Reserve Orders" are limit orders that have both a round-lot displayed size as well as an additional non-displayed share amount. Both the displayed and non-displayed portions of the Reserve Order are available for potential execution against incoming orders. If the round-lot displayed portion of a Reserve Order is reduced to less than a normal unit of trading, the System will replenish the display portion from reserve up to at least a single round-lot amount.]

[(3) "Limit Orders" are orders to buy or sell a stock at a specified price or better. A limit order is marketable when, for a limit order to buy, at the time it is entered into the System, the order is priced at the current inside offer or higher, or for a limit order to sell, at the time it is entered into the System, the order is priced at the inside bid or lower.]

[(4) "Pegged Orders" are orders that, after entry, have their price automatically adjusted by the System in response to changes in either the PSX inside bid or offer or bids or offers in the national market system, as appropriate. A Pegged Order can specify that its price will equal the inside quote on the same side of the market ("Primary Peg"), the opposite side of the market ("Market Peg"), or the midpoint of the national best bid and offer ("Midpoint Peg"). A Pegged Order may have a limit price beyond which the order shall not be executed. In addition, the Primary Peg and Market Peg Orders may also establish their pricing relative to the appropriate bids or offers by the selection of one or more offset amounts that will adjust the price of the order by the offset amount selected. A Midpoint Peg Order is priced based upon the national best bid and offer, excluding the effect that the Midpoint Peg Order itself has on the inside bid or inside offer. Primary Pegged Orders with an offset amount and Midpoint Peg Orders will never be displayed. A Midpoint Peg Order may be executed in sub-pennies if necessary to obtain a midpoint price.]

[(5) "Minimum Quantity Orders" are orders that will not execute unless a specified minimum quantity of shares can be obtained. A Minimum Quantity Order that posts to the Exchange book will be a Non-Displayed Order, and upon entry must have a size and a minimum quantity condition of at least one round lot. In the event that the shares remaining in the size of the order following a partial execution thereof are less than the minimum quantity specified by the market participant entering the order, the minimum quantity value of the order will be reduced to the number of shares remaining, unless the shares remaining in the size of the order are less than one round lot, in which case the minimum quantity condition will be removed from the order.]

[(6) "Intermarket Sweep Orders" or "ISOs" are limit orders that are designated as ISOs in the manner prescribed by the Exchange and are executed within the System by Participants at multiple price levels without respect to Protected Quotations of other market centers within the meaning of rule 600(b) of Regulation NMS under the Act. ISOs are immediately executable within the System pursuant to Rule 3307 and shall not be eligible for routing as set out in Rule 3315.]

[Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering party to execute against the full displayed size of any protected bid or offer (as defined in rule 600(b) of Regulation NMS under the Act) in the case of a limit order to sell or buy with a price that is superior to the limit price of the limit order identified as an intermarket sweep order (as defined in rule 600(b) of Regulation NMS under the Act). These additional routed orders must be identified as intermarket sweep orders.]

[(7) Reserved.]

[(8) "Price to Comply Orders" are orders that, if, at the time of entry, a Price to Comply Order would lock or cross the quotation of an external market, the order will be priced to the current low offer (for bids) or to the current best bid (for offers) and displayed at a price one minimum price increment lower than the offer (for bids) or higher than the bid (for offers). The displayed and undisplayed prices of a Price to Comply order entered through an OUCH port that crosses the market will be adjusted once and, depending on the election of the member firm, either rest on the book or be canceled if the previously-locking price becomes available. The displayed and undisplayed prices of a Price to Comply order entered through an OUCH port that locks the market will be adjusted once and, depending on the election of the member firm, either rest on the book, be canceled, or adjusted a second time if the previously-locking price becomes available. The displayed and undisplayed prices of a Price to Comply order entered through a RASH port may be adjusted multiple times, depending upon changes to the prevailing NBBO.]

[(9) "Price to Comply Post Order" are orders that, if, at the time of entry, a Price to Comply Post Order would create a violation of Rule 610(d) of Regulation NMS under the Act by locking or crossing the protected quotation of an external market or would cause a violation of Rule 611 of Regulation NMS under the Act, the order will be re-priced and displayed by the System to one minimum price increment (i.e., \$0.01 or \$0.0001) below the current low offer (for bids) or to one penny above the current best bid (for offers). Price to Comply Post Orders will not be routed outside of the System.]

[(10) "Unpriced Orders" are any order types permitted by the System to buy or sell shares of a security at the national best bid (best offer) ("NBBO") at the time when the order reaches the System. Any portion of an Unpriced Order that would execute on the System at a price more than \$0.25 or 5 percent worse than the NBBO at the time when the order reaches the System, whichever is greater, will be cancelled.]

[(11) "Post-Only Orders" are evaluated at the time of entry with respect to locking or crossing other orders as follows: (i) if a Post-Only Order would lock or cross an order on the System, the order will be re-priced and displayed by the System to one minimum price increment (i.e., \$0.01 or \$0.0001) below the current low offer (for bids) or above the current best bid (for offers) unless the value of price improvement associated with executing against a resting order equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the order posted to the

book and subsequently provided liquidity, in which case the order will execute; and (ii) if a Post-Only Order would not lock or cross an order on the System but would lock or cross the national best bid or offer as reflected in the protected quotation of another market center, the order will be priced to the current best offer (for bids) or to the current best bid (for offers) and displayed by the System to one minimum price increment (i.e., \$0.01 or \$0.0001) below the current low offer (for bids) or above the current best bid (for offers).]

[(12) "Market Maker Peg Order" is a limit order that, upon entry, the bid or offer is automatically priced by the System at the Designated Percentage away from the then current National Best Bid and National Best Offer, or if no National Best Bid or National Best Offer, at the Designated Percentage away from the last reported sale from the responsible single plan processor in order to comply with the quotation requirements for Market Makers set forth in Rule 3213(a)(2). Upon reaching the Defined Limit, the price of a Market Maker Peg Order bid or offer will be adjusted by the System to the Designated Percentage away from the then current National Best Bid and National Best Offer, or, if no National Best Bid or National Best Offer, to the Designated Percentage away from the last reported sale from the responsible single plan processor. If a Market Maker Peg Order bid or offer moves away from the Designated Percentage towards the then current National Best Bid or National Best Offer, as appropriate, by 4 percentage points, the price of such bid or offer will be adjusted to the Designated Percentage away from the then current National Best Bid and National Best Offer, or if no National Best Bid or National Best Offer, to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the absence of a National Best Bid or National Best Offer and if no last reported sale, the order will be cancelled or rejected. During the period before 9:30 a.m. and after 4:00 p.m., the Designated Percentage and Defined Limit applicable to a Market Maker Peg Order will be the same as for the periods from 9:30 a.m. through 9:45 a.m.]

[If, after entry, the Market Maker Peg Order is priced based on the consolidated last sale and such Market Maker Peg Order is established as the National Best Bid or National Best Offer, the Market Maker Peg Order will not be subsequently adjusted in accordance with this rule until either there is a new consolidated last sale, or a new National Best Bid or new National Best Offer is established by either another national securities exchange or PSX. Market Maker Peg Orders are not eligible for routing pursuant to Rule 3315 and are always displayed on PSX. Notwithstanding the availability of Market Maker Peg Order functionality, a Market Maker remains responsible for entering, monitoring, and resubmitting, as applicable, quotations that meet the requirements of Rule 3213. A new timestamp is created for the order each time that it is automatically adjusted.]

[For purposes of this paragraph, PSX will apply the Designated Percentage and Defined Limit as set forth in Rule 3213, subject to the following exception. Nothing in this rule shall preclude a Market Maker from designating a more aggressive offset from the National Best Bid or National Best Offer than the given Designated Percentage for any individual Market Maker Peg Order. If a Market Maker designates a more aggressive offset from the National Best Bid or National Best Offer, the price of a Market Maker

Peg Order bid or offer will be adjusted by the System to maintain the Market Maker-designated offset from the National Best Bid or National Best Offer, or if no National Best Bid or National Best Offer, the order will be cancelled or rejected.]

[(g) The term "Order Size" shall mean the number of shares up to 999,999 shares associated with a Quote or an Order and shall include:]

[(1) "normal unit of trading": the round lot size for the security.]

[(2) "mixed lot": an order that is for more than a normal unit of trading but not a multiple thereof.]

[(3) "odd-lot": an order that is for less than a normal unit of trading.]

[(h) The term "Time in Force" shall mean the period of time that the System will hold an order for potential execution, and shall include:]

[(1) "System Hours Immediate or Cancel" or "SIOC" shall mean, for orders so designated, that if after entry into the System the order (or a portion thereof) is not marketable, the order (or unexecuted portion thereof) shall be canceled and returned to the entering Participant. SIOC Orders shall be available for entry and execution from 8:00 a.m. until 5:00 p.m. Eastern Time.]

[(2) "System Hours Day" or "SDAY" shall mean, for orders so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution from 8:00 a.m. until 5:00 p.m. Eastern Time on the day it was submitted unless cancelled by the entering party.]

[(3) "System Hours Good-till-Cancelled" or "SGTC" shall mean, for orders so designated, that if after entry into the System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution from 7:00 a.m. until 8:00 p.m. Eastern Time unless cancelled by the entering party, or until 1 year after entry, whichever comes first.]

[(4) "System Hours Expire Time" or "SHEX" shall mean, for orders so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution for the amount of time specified by the entering Participant (up to 5:00 p.m. on the day entered) unless canceled by the entering Participant. SHEX Orders shall be available for entry and execution from 8:00 a.m. until 5:00 p.m. Eastern Time.]

[(5) Reserved]

[(6) Reserved]

[(7) "Market Hours GTC" or "MGTC" shall mean for orders so designated, that if after entry into System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution unless cancelled by the entering party, or until 1 year after entry, whichever comes first. MGTC Orders shall be available for entry from 7:00 a.m. until 8:00 p.m. Eastern Time and for potential execution from 9:30 a.m. until 4:00 p.m. Eastern Time.]

[(8) "Good-til-market close" or "GTMC" shall mean for orders so designated, that if after entry into the System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution until cancelled by the entering party, or until 4:00 p.m., after which it shall be returned to the entering party. GTMC orders shall be available for entry and potential execution from 8:00 a.m. and 4:00 p.m. Eastern Time. GTMC orders entered after 4:00 p.m. will be treated as SIOC orders.]

[(i)] (1) The term "System Book Feed" shall mean a data feed for System Securities [eligible] [securities], generally known as the PSX TotalView ITCH feed.

3301A. Order Types.

(a) Participants may express their trading interest in PSX by entering Orders. PSX offers a range of Order Types that behave in the manner specified for each particular Order Type. Each Order Type may be assigned certain Order Attributes that further define its behavior. All Order Types and Order Attributes operate in a manner that is reasonably designed to comply with the requirements of Rules 610 and 611 under Regulation NMS. Each Order must designate whether it is to effect a buy, a long sale, a short sale, or an exempt short sale.

The Exchange maintains several communications protocols for Participants to use in entering Orders and sending other messages to PSX:

- OUCH is an Exchange proprietary protocol.
- RASH is an Exchange proprietary protocol.
- FLITE is an Exchange proprietary protocol.
- FIX is a non-proprietary protocol.

Except where otherwise stated, all protocols are available for all Order Types and Order Attributes.

Upon entry, an Order is processed to determine whether it may execute against any contra-side Orders on the PSX Book in accordance with the parameters applicable to the Order Type and Order Attributes selected by the Participant and in accordance with the priority for Orders on the PSX Book provided in Rule 3307. In addition, the Order may have its price adjusted in accordance with applicable parameters and may be routed to other market centers for potential execution if designated as Routable. The Order may then be posted to the PSX Book if consistent with the parameters of the Order Type and

Order Attributes selected by the Participant. Thereafter, as detailed in Rules 3301A, 3301B, and 3315, there are numerous circumstances in which the Order on the PSX Book may be modified and receive a new timestamp. The sole instances in which the modification of an Order on the PSX Book will not result in a new timestamp are: (i) a decrease in the size of the Order due to execution or modification by the Participant or by the System, and (ii) a redesignation of a sell Order as a long sale, a short sale, or an exempt short sale. Whenever an Order receives a new timestamp for any reason, it is processed by the System as a new Order with respect to potential execution against Orders on the PSX Book, price adjustment, routing, reposting to the PSX Book, and subsequent execution against incoming Orders, except where otherwise stated.

All Orders are also subject to cancellation and/or repricing and reentry onto the PSX Book in the circumstances described in Rule 3100(a)(5) (providing for compliance with Plan to Address Extraordinary Market Volatility) and Rule 3303 (providing for compliance with Regulation SHO). In all circumstances where an Order is repriced pursuant to those provisions, it is processed by the System as a new Order with respect to potential execution against Orders on the PSX Book, price adjustment, routing, reposting to the PSX Book, and subsequent execution against incoming Orders. If multiple Orders at a given price are repriced, the Order in which they are reentered is random, based on the respective processing time for each such Order; provided, however, that in the case of Price to Comply Orders and Post-Only Orders that have their prices adjusted upon entry because they lock a Protected Quotation but that are subsequently displayed at their original entered limit price as provided in Rules 3301A(b)(1)(B) and (4)(B), they are processed in accordance with the time priority under which they were previously ranked on the PSX Book. If an Order is repriced and/or reentered 10,000 times for any reason, the Order will be cancelled.

(b) Except where stated otherwise, the following Order Types are available to all Participants:

(1) (A) A “Price to Comply Order” is an Order Type designed to comply with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Market Hours. The Price to Comply Order is also designed to provide potential price improvement.

When a Price to Comply Order is entered, the Price to Comply Order will be executed against previously posted Orders on the PSX Book that are priced equal to or better than the price of the Price to Comply Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Order that cannot be executed in this manner will be posted on the PSX Book (and/or routed if it has been designated as Routable).

During Market Hours, the price at which a Price to Comply Order is posted is determined in the following manner. If the entered limit price of the Price to Comply Order would lock or cross a Protected Quotation and the Price to Comply Order could not execute against an Order on the PSX Book at a price equal to or better than the price of the

Protected Quotation, the Price to Comply Order will be displayed on the PSX Book at a price one minimum price increment lower than the current Best Offer (for a Price to Comply Order to buy) or higher than the current Best Bid (for a Price to Comply Order to sell) but will also be ranked on the PSX Book with a non-displayed price equal to the current Best Offer (for a Price to Comply Order to buy) or to the current Best Bid (for a Price to Comply Order to sell). For example, if a Price to Comply Order to buy at \$11 would lock a Protected Offer of \$11, the Price to Comply Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. An incoming Order to sell at a price of \$11 or lower would execute against the Price to Comply Order at \$11 (unless the incoming Order was an Order Type that was not immediately executable, in which case the incoming Order would behave in the manner specified for that Order Type).

During Pre-Market Hours and Post-Market Hours, a Price to Comply Order will be ranked and displayed at its entered limit price without adjustment.

(B) If a Price to Comply Order is entered through RASH or FIX, during Market Hours the price of the Price to Comply Order will be adjusted in the following manner after initial entry and posting to the PSX Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the PSX Book):

- If the entered limit price of the Price to Comply Order locked or crossed a Protected Quotation and the NBBO changes, the displayed and non-displayed price of the Price to Comply Order will be adjusted repeatedly in accordance with changes to the NBBO; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the displayed price of a Price to Comply Order, the prices of the Price to Comply Order will not be adjusted. For example, if a Price to Comply Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. If the Best Offer then moves to \$11.01, the displayed price will be changed to \$11 and the Order will be ranked at a non-displayed price of \$11.01. However, if another market center then displays an offer of \$11 (thereby locking the previously displayed price of the Price to Comply Order, notwithstanding Rule 610(d) under Regulation NMS), the price of the Price to Comply Order will not be changed. The Order may be repriced repeatedly until such time as the Price to Comply Order is able to be ranked and displayed at its original entered limit price (\$11.02 in the example). The Price to Comply Order receives a new timestamp each time its price is changed.
- If the original entered limit price of the Price to Comply Order would no longer lock or cross a Protected Quotation, the Price to Comply Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Price to Comply Order is entered through OUCH or FLITE, during Market Hours the price of the Price to Comply Order may be adjusted in the following manner after initial entry and posting to the PSX Book:

- If the entered limit price of the Price to Comply Order crossed a Protected Quotation and the NBBO changes so that the Price to Comply Order could be displayed at a price at or closer to its entered limit price without locking or crossing a Protected Quotation, the Price to Comply Order may either remain on the PSX Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Price to Comply Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked a non-displayed price of \$11 but will be displayed at \$10.99. If the Best Offer changes to \$11.01, the Order will not be repriced, but rather will either remain with a displayed price of \$10.99 but ranked at a non-displayed price of \$11 or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Price to Comply Order or cancelling it is set in advance for each port through which the Participant enters Orders.
- If the entered limit price of the Price to Comply Order locked a Protected Quotation, the price of the Price to Comply Order will be adjusted after initial entry only as follows. If the entered limit price would no longer lock a Protected Quotation, the Price to Comply Order may either remain on the PSX Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice. For example, if a Price to Comply Order to buy at \$11 would lock a Protected Offer of \$11, the Price to Comply Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. If the Best Offer changes to \$11.01, the Price to Comply Order may either remain with a displayed price of \$10.99 but ranked at a non-displayed price of \$11, be cancelled back to the Participant, or be ranked and displayed at \$11, depending on the Participant's choice. A Participant's choice with regard to maintaining the Price to Comply Order, cancelling it, or allowing it to be displayed is set in advance for each port through which the Participant enters Orders. If the Price to Comply Order is ranked and displayed at its original entered limit price, it will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

(C) The following Order Attributes may be assigned to a Price to Comply Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.
- Size.
- Reserve Size (available through RASH and FIX only).
- A Time-in-Force other than IOC. (A Price to Comply Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).

- Designation as an ISO. In accordance with Regulation NMS, a Price to Comply Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Comply Order would lock or cross.
- Routing (available through RASH and FIX only).
- Primary Pegging and Market Pegging (available through RASH and FIX only).
- Discretion (available through RASH and FIX only).
- Display. A Price to Comply Order is always displayed, although, as provided above, it may also have a non-displayed price and/or Reserve Size.

(2) (A) A “Price to Display Order” is an Order Type designed to comply with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Market Hours. Price to Display Orders are available solely to Participants that are Market Makers for System Securities.

When a Price to Display Order is entered, if its entered limit price would lock or cross a Protected Quotation, the Price to Display Order will be repriced to one minimum price increment lower than the current Best Offer (for a Price to Display Order to buy) or higher than the current Best Bid (for a Price to Display Order to sell). For example, if a Price to Display Order to buy at \$11 would cross a Protected Offer of \$10.99, the Price to Display Order will be repriced to \$10.98. The Price to Display Order (whether repriced or not repriced) will then be executed against previously posted Orders on the PSX Book that are priced equal to or better than the adjusted price of the Price to Display Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Order that cannot be executed in this manner will be posted on the PSX Book (and/or routed if it has been designated as Routable).

During Market Hours, the price at which a Price to Display Order is displayed and ranked on the PSX Book will be its entered limit price if the Price to Display Order was not repriced upon entry, or the adjusted price if the Price to Comply Order was repriced upon entry, such that the price will not lock or cross a Protected Quotation.

During Pre-Market Hours and Post-Market Hours, a Price to Display Order will be displayed and ranked at its entered limit price without adjustment.

(B) If a Price to Display Order is entered through RASH or FIX, during Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the PSX Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the PSX Book):

- If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes, the price of the Order will be

adjusted repeatedly in accordance with changes to the NBBO; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the price of a Price to Display Order, the price of the Price to Display Order will not be adjusted. For example, if a Price to Display Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be displayed and ranked at \$10.99. If the Best Offer then moves to \$11.01, the displayed/ranked price will be changed to \$11. However, if another market center then displays an offer of \$11 (thereby locking the previously displayed price of the Price to Display Order, notwithstanding Rule 610(d) under Regulation NMS), the price of the Price to Display Order will not be changed. The Order may be repriced repeatedly until such time as the Price to Display Order is able to be displayed and ranked at its original entered limit price (\$11.02 in the example). The Price to Display Order receives a new timestamp each time its price is changed.

- If the original entered limit price of the Price to Display Order would no longer lock or cross a Protected Quotation, the Price to Display Order will be displayed and ranked at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Price to Display Order is entered through OUCH or FLITE, during Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the PSX Book:

- If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes so that the Price to Display Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Price to Display Order may either remain on the PSX Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. For example, if a Price to Display Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked and displayed at \$10.99. If the Best Offer changes to \$11.01, the Price to Display Order will not be repriced, but rather will either remain at its current price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Price to Display Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Price to Display Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation.
- Size.
- Reserve Size (available through RASH and FIX only).
- A Time-in-Force other than IOC. (A Price to Display Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).

- Designation as an ISO. In accordance with Regulation NMS, a Price to Display Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Display Order would lock or cross.
- Routing (available through RASH and FIX only).
- Primary Pegging and Market Pegging (available through RASH and FIX only).
- Discretion (available through RASH and FIX only).
- Attribution. All Price to Display Orders are Attributable Orders.
- Display. A Price to Display Order is always displayed (but may also have Reserve Size).

(3) (A) A “Non-Displayed Order” is an Order Type that is not displayed to other Participants, but nevertheless remains available for potential execution against incoming Orders until executed in full or cancelled. In addition to the Non-Displayed Order Type, there are other Order Types that are not displayed on the PSX Book. Thus, “Non-Display” is both a specific Order Type and an Order Attribute of certain other Order Types.

When a Non-Displayed Order is entered, the Non-Displayed Order will be executed against previously posted Orders on the PSX Book that are priced equal to or better than the price of the Non-Displayed Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Non-Displayed Order that cannot be executed in this manner will be posted to the PSX Book (unless the Non-Displayed Order has a Time-in-Force of IOC) and/or routed if it has been designated as Routable.

During Market Hours, the price at which a Non-Displayed Order is posted is determined in the following manner. If the entered limit price of the Non-Displayed Order would lock a Protected Quotation, the Non-Displayed Order will be placed on the PSX Book at the locking price. If the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be repriced to a price that would lock the Protected Quotation and will be placed on the PSX Book at that price. For example, if a Non-Displayed Order to buy at \$11 would cross a Protected Offer of \$10.99, the Non-Displayed Order will be repriced and posted at \$10.99. A Non-Displayed Order to buy at \$10.99 would also be posted at \$10.99.

During Pre-Market Hours and Post-Market Hours, a Non-Displayed Order will be posted at its entered limit price without adjustment.

(B) If a Non-Displayed Order is entered through RASH or FIX, during Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the PSX Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the PSX Book):

- If the original entered limit price of a Non-Displayed Order is higher than the Best Offer (for an Order to buy) or lower than the Best Bid (for an Order to sell) and the NBBO moves toward the original entered limit price of the Non-Displayed Order, the price of the Non-Displayed Order will be adjusted repeatedly in accordance with changes to the NBBO. For example, if a Non-Displayed Order to buy at \$11.02 would cross a Protected Offer of \$11, the Non-Displayed Order will be priced and posted at \$11. If the Best Offer then changes to \$11.01, the price of the Non-Displayed Order will be changed to \$11.01. The Order may be repriced repeatedly in this manner, receiving a new timestamp each time its price is changed, until the Non-Displayed Order is posted at its original entered limit price. The Non-Displayed Order will not thereafter be repriced under this paragraph (B), except as provided below with respect to crossing a Protected Quotation..
- If, after being posted to the PSX Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be repriced at a price that would lock the new NBBO and receive a new timestamp. For example, if a Non-Displayed Order to buy at \$11 would lock a Protected Offer of \$11, the Non-Displayed Order will be posted at \$11. If the Best Offer then changes to \$10.99, the Non-Displayed Order will be repriced at \$10.99, receiving a new timestamp. The Non-Displayed Order may be repriced and receive a new timestamp repeatedly.

If a Non-Displayed Order is entered through OUCH or FLITE, during Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the PSX Book:

- If the original entered limit price of the Non-Displayed Order locked or crossed a Protected Quotation and the NBBO changes so that the Non-Displayed Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the Non-Displayed Order may either remain on the PSX Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Non-Displayed Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be priced at \$11. If the Best Offer changes to \$11.01, the Order will not be repriced, but rather will either remain at its current \$11 price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Non-Displayed Order or cancelling it is set in advance for each port through which the Participant enters Orders.
- If, after a Non-Displayed Order is posted to the PSX Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be cancelled back to the Participant. For example, if a Non-Displayed Order to buy at \$11 would lock a Protected Offer of \$11, the Non-

Displayed Order will be posted at \$11. If the Best Offer then changes to \$10.99, the Non-Displayed Order will be cancelled back to the Participant.

- If a Non-Displayed Order entered through OUCH or FLITE is assigned a Midpoint Pegging Order Attribute, and if, after being posted to the PSX Book, the NBBO changes so that the Non-Displayed Order is no longer at the Midpoint between the NBBO, the Non-Displayed Order will be cancelled back to the Participant. In addition, if a Non-Displayed Order entered through OUCH or FLITE is assigned a Midpoint Pegging Attribute and also has a limit price that is lower than the midpoint between the NBBO for an Order to buy (higher than the midpoint between the NBBO for an Order to sell), the Order will nevertheless be accepted at its limit price and will be cancelled if the midpoint between the NBBO moves lower than (higher than) the price of an Order to buy (sell).

(C) The following Order Attributes may be assigned to a Non-Displayed Order:

- Price. As described above, the price of the Order may be adjusted to avoid crossing a Protected Quotation.
- Size.
- Minimum Quantity.
- Time-in-Force.
- Designation as an ISO. In accordance with Regulation NMS, a Non-Displayed Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Non-Displayed Order would cross. As discussed above, a Non-Displayed Order would be accepted at a price that locked a Protected Quotation, even if the Order was not designated as an ISO, because the non-displayed nature of the Order allows it to lock a Protected Quotation under Regulation NMS. Accordingly, the System would not interpret receipt of a Non-Displayed Order marked ISO that locked a Protected Quotation as the basis for determining that the Protected Quotation had been executed for purposes of accepting additional Orders at that price level.
- Routing (available through RASH and FIX only).
- Primary Pegging and Market Pegging (available through RASH and FIX only).
- Pegging to the Midpoint (see Rule 3301B(d) with respect to differences between OUCH and FLITE and RASH and FIX).
- Discretion (available through RASH and FIX only).

(4) (A) A “Post-Only Order” is an Order Type designed to have its price adjusted as needed to post to the PSX Book in compliance with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Market Hours, or to execute against locking or crossing quotations in circumstances where economically beneficial to the Participant entering the Post-Only Order.

During Market Hours, a Post-Only Order is evaluated at the time of entry with respect to locking or crossing other Orders on the PSX Book, Protected Quotations, and potential execution as follows:

- If a Post-Only Order would lock or cross a Protected Quotation, the price of the Order will first be adjusted. If the Order is Attributable, its adjusted price will be one minimum price increment lower than the current Best Offer (for bids) or higher than the current Best Bid (for offers). If the Order is not Attributable, its adjusted price will be equal to the current Best Offer (for bids) or the current Best Bid (for offers). However, the Order will not post or execute until the Order, as adjusted, is evaluated with respect to Orders on the PSX Book.
 - If the adjusted price of the Post-Only Order would not lock or cross an Order on the PSX Book, the Order will be posted in the same manner as a Price to Comply Order (if it is not Attributable) or a Price to Display Order (if it is Attributable). Specifically, if the Post-Only Order is not Attributable, it will be displayed on the PSX at a price one minimum price increment lower than the current Best Offer (for bids) or higher than the current Best Bid (for offers) but will be ranked on the PSX Book with a non-displayed price equal to the current Best Offer (for bids) or to the current Best Bid (for offers). For example, if a Post-Only Order to buy at \$11 would lock a Protected Offer of \$11, the Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. If the Post-Only Order is Attributable, it will be ranked and displayed on the PSX Book at a price one minimum increment lower than the current Best Offer (for bids) or higher than the current Best Bid (for offers). Thus, in the preceding example, the Post-Only Order to buy would be ranked and displayed at \$10.99.
 - If the adjusted price of the Post-Only Order would lock or cross an Order on the PSX Book, the Post Only Order will be repriced, ranked, and displayed at one minimum price increment below the current best-priced Order to sell on the PSX Book (for bids) or above the current best-priced Order to buy on the PSX Book (for offers); provided, however, the Post-Only Order will execute if (i) it is priced below \$1.00 and the value of price improvement associated with executing against an Order on the PSX Book (as measured against the original limit price of the Order) equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the PSX Book and subsequently provided liquidity, or (ii) it is priced at \$1.00 or more and the value of price improvement associated with executing against an Order on the PSX Book (as measured against the original limit price of the Order) equals or exceeds \$0.01 per share. For example, if a Participant entered a Non-Attributable Post-Only Order to buy at \$11.01, another market center is displaying a Protected Offer at \$11, and there is a Non-Displayed Order on the PSX Book to sell at \$11, the adjusted price of the Post-Only Order

will be \$11. However, because the Post-Only Order would be executable against the Non-Displayed Order on the PSX Book and would receive \$0.01 price improvement (as measured against the original \$11.01 price of the Post-Only Order), the Post-Only Order would execute.

- If the Post-Only Order would not lock or cross a Protected Quotation but would lock or cross an Order on the PSX Book, the Post Only Order will be repriced, ranked, and displayed at one minimum price increment below the current best-priced Order to sell on the PSX Book (for bids) or above the current best-priced Order to buy on the PSX Book (for offers); provided, however, the Post-Only Order will execute if (i) it is priced below \$1.00 and the value of price improvement associated with executing against an Order on the PSX Book equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the Order posted to the PSX Book and subsequently provided liquidity, or (ii) it is priced at \$1.00 or more and the value of price improvement associated with executing against an Order on the PSX Book equals or exceeds \$0.01 per share. For example, if a Participant entered a Post-Only Order to buy at \$11.02, the Best Offer was \$11.04, and there was a Non-Displayed Order on the PSX Book to sell at \$11.02, the Post-Only Order would be ranked and displayed at \$11.01. However, if a Participant entered a Post-Only Order to buy at \$11.03, the Order would execute against the Order on the PSX Book at \$11.02, receiving \$0.01 per share price improvement.
- If a Post-Only Order is entered with a Time-in-Force of IOC, the price of an Order to buy (sell) will be repriced to the lower of (higher of) (i) one minimum price increment below (above) the price of the Order or (ii) the current Best Offer (Best Bid). The Order will execute against any Order on the PSX Book with a price equal to or better than the adjusted price of the Post-Only Order. If the Post-Only Order cannot execute, it will be cancelled. For example, if a Post-Only Order to buy at \$11 with a Time-in-Force of IOC was entered and the current Best Offer was \$11.01, the Order would be repriced to \$10.99; however, if the Best Offer was \$10.98, the Order would be repriced to \$10.98.
- If a Post-Only Order would not lock or cross an Order on the PSX Book or any Protected Quotation, it will be posted on the PSX Book at its entered limit price.

During Pre-Market and Post-Market Hours, a Post-Only Order will be processed in a manner identical to Market Hours with respect to locking or crossing Orders on the PSX Book, but will not have its price adjusted with respect to locking or crossing the quotations of other market centers.

(B) If a Post-Only Order is entered through RASH or FIX, during System Hours the Post-Only Order may be adjusted in the following manner after initial entry and posting to the PSX Book:

- If the original entered limit price of the Post-Only Order is not being displayed, the displayed (and non-displayed price, if any) of the Order will be adjusted repeatedly in accordance with changes to the NBBO or the best price on the PSX Book, as applicable; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the displayed price of a Post-Only Order, the price(s) of the Post-Only Order will not be adjusted. For example, if a Non-Attributable Post-Only Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. If the Best Offer then moves to \$11.01, the displayed price will be changed to \$11 and the non-displayed price at which the Order is ranked will be changed to \$11.01. However, if another market center then displays an offer of \$11 (thereby locking the previously displayed price of the Post-Only Order, notwithstanding Rule 610(d) under Regulation NMS), the price of the Post-Only Order will not be changed. The Order may be repriced repeatedly until such time as the Post-Only Order is able to be displayed at its original entered limit price (\$11.02 in the example). The Post-Only Order receives a new timestamp each time its price is changed.
- If the original entered limit price of the Post-Only Order would no longer lock or cross a Protected Quotation or an Order on the PSX Book, the Post-Only Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Post-Only Order is entered through OUCH or FLITE, the Post-Only Order may be adjusted in the following manner after initial entry and posting to the PSX Book:

- During Market Hours, if the original entered limit price of the Post-Only Order locked or crossed a Protected Quotation, the Post-Only Order may be adjusted after initial entry in the same manner as a Price to Comply Order (or a Price to Display Order, if it is Attributable). Thus, in the case of a Non-Attributable Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the PSX Book unchanged or may be cancelled back to the Participant, depending on its choice. In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the Post-Only Order may either remain on the PSX Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice, and will not thereafter be adjusted under this paragraph (B). If the Post-Only Order is displayed at its original entered limit price, it will receive a new timestamp. Finally, in the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the PSX Book unchanged or may be

cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to adjustment of Post-Only Orders is set in advance for each port through which the Participant enters Orders.

- During System Hours, if the original entered limit price of the Post-Only Order locked or crossed an Order on the PSX Book and the PSX Book changes so that the original entered limit price would no longer lock or cross an Order on the PSX Book, the Post-Only Order may either remain on the PSX Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. For example, if a Post-Only Order to buy at \$11 would lock an Order on the PSX Book priced at \$11, the Post-Only Order will be ranked and displayed at \$10.99. If the Order at \$11 is cancelled or executed, the Post-Only Order may either remain with a displayed price of \$10.99 or be cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to maintaining the Post-Only Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Post-Only Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.
- Size.
- Time-in-Force.
- Designation as an ISO. In accordance with Regulation NMS, a Post-Only Order designated as an ISO that locked or crossed a Protected Quotation would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, as described above, a Post-Only Order designated as an ISO that locked or crossed an Order on the PSX Book would either execute at time of entry or would have its price adjusted prior to posting. Accordingly, the System would not interpret receipt of a Post-Only Order marked ISO that had its price adjusted prior to posting as the basis for determining that any Protected Quotation at the Order's original entered limit price level had been executed for purposes of accepting additional Orders at that price level. However, if the Post-Only Order is ranked and displayed at its adjusted price, the System would consider the adjusted price level to be open for purposes of accepting additional Orders at that price level. For example, assume that there is a Protected Offer at \$11 and a Participant enters a Post-Only Order marked ISO to buy at \$11. If there are no Orders to sell at \$11 on the PSX Book, the Order to buy will be displayed and ranked at \$11, since the designation of the Order as an ISO reflects the Participant's representation that it has routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, if there was

also an Order to sell at \$11 on the PSX Book, the Post-Only Order will be repriced, ranked, and displayed at \$10.99. In that case, the mere fact that the Post-Only Order was designated as an ISO would not allow PSX to conclude that the \$11 price level was “open” for receiving orders to buy at that price; the \$11 price level would be considered open only if market data received by the System demonstrated that the Protected Offer at \$11 had been removed or if a subsequent Displayed Order marked ISO was received and ranked at that price.

- Attribution.
- Display. A Post-Only Order is always displayed, although as provided above, may also have a non-displayed price.

(7) (A) A “Market Maker Peg Order” is an Order Type designed to allow a Market Maker to maintain a continuous two-sided quotation at a price that is compliant with the quotation requirements for Market Makers set forth in Rule 3213(a)(2). The price of the Market Maker Peg Order is set with reference to a “Reference Price” in order to keep the price of the Market Maker Peg Order within a bounded price range. A Market Maker Peg Order may be entered through RASH or FIX only. A Market Maker Peg Order must be entered with a limit price beyond which the Order may not be priced. The Reference Price for a Market Maker Peg Order to buy (sell) is the then-current Best Bid (Best Offer) (including PSX), or if no such Best Bid or Best Offer, the most recent reported last-sale eligible trade from the responsible single plan processor for that day, or if none, the previous closing price of the security as adjusted to reflect any corporate actions (e.g., dividends or stock splits) in the security.

Upon entry, the price of a Market Maker Peg Order to buy (sell) is automatically set by the System at the Designated Percentage (as defined in Rule 3213) away from the Reference Price in order to comply with the quotation requirements for Market Makers set forth in Rule 3213(a)(2). For example, if the Best Bid is \$10 and the Designated Percentage for the security is 8%, the price of a Market Maker Peg Order to buy would be \$9.20. If the limit price of the Order is not within the Designated Percentage, the Order will be sent back to the Participant.

Once a Market Maker Peg Order has posted to the PSX Book, its price is adjusted if needed as the Reference Price changes. Specifically, if as a result of a change to the Reference Price, the difference between the price of the Market Maker Peg Order and the Reference Price reaches the Defined Limit (as defined in Rule 3213), the price of a Market Maker Peg Order to buy (sell) will be adjusted to the Designated Percentage away from the Reference Price. In the foregoing example, if the Defined Limit is 9.5% and the Best Bid increased to \$10.17, such that the price of the Market Maker Peg Order would be more than 9.5% away, the Order will be repriced to \$9.35, or 8% away from the Best Bid. Note that calculated prices of less than the minimum increment will be rounded in a manner that ensures that the posted price will be set at a level that complies with the percentages stipulated by this rule. If the limit price of the Order is outside the Defined Limit, the Order will be sent back to the Participant.

Similarly, if as a result of a change to the Reference Price, the price of a Market Maker Peg Order to buy (sell) is within one minimum price variation more than (less than) a price that is 4% less than (more than) the Reference Price, rounded up (down), then the price of the Market Maker Peg Order to buy (sell) will be adjusted to the Designated Percentage away from the Reference Price. For example, if the Best Bid is \$10 and the Designated Percentage for the security is 8%, the price of a Market Maker Peg Order to buy would initially be \$9.20. If the Best Bid then moved to \$9.57, such that the price of the Market Maker Peg Order would be a minimum of \$0.01 more than a price that is 4% less than the Best Bid, rounded up (i.e. $\$9.57 - (\$9.57 \times 0.04) = \$9.1872$, rounding up to \$9.19), the Order will be repriced to \$8.81, or 8% away from the Best Bid.

A Market Maker may enter a Market Maker Peg Order with a more aggressive offset than the Designated Percentage, but such an offset will be expressed as a price difference from the Reference Price. Such a Market Maker Peg Order will be repriced in the same manner as a Price to Display Order with Attribution and Primary Pegging. As a result, the price of the Order will be adjusted whenever the price to which the Order is pegged is changed.

A new timestamp is created for a Market Maker Peg Order each time that its price is adjusted. In the absence of a Reference Price, a Market Maker Peg Order will be cancelled or rejected. If, after entry, a Market Maker Peg Order is priced based on a Reference Price other than the NBBO and such Market Maker Peg Order is established as the Best Bid or Best Offer, the Market Maker Peg Order will not be subsequently adjusted in accordance with this rule until a new Reference Price is established. If a Market Maker Peg Order is repriced 1,000 times, it will be cancelled.

Notwithstanding the availability of Market Maker Peg Order functionality, a Market Maker remains responsible for entering, monitoring, and resubmitting, as applicable, quotations that meet the requirements of Rule 3213.

(B) The following Order Attributes may be assigned to a Market Maker Peg Order:

- Price. As discussed above, the price of Market Maker Peg Order is established by PSX based on the Reference Price, the Designated Percentage (or a narrower offset established by the Market Maker), the Defined Limit, and the 4% minimum difference from the Reference Price.
- Size.
- A Time-in-Force other than IOC or GTC.
- If the Market Maker designates a more aggressive offset, Primary Pegging is required.
- Attribution. All Market Maker Peg Orders are Attributable.
- Display. Market Maker Peg Orders are always Displayed.

3301B. Order Attributes.

As described in Rule 3301A, the following Order Attributes may be assigned to those Order Types for which they are available.

(a) Time-in-Force

The “Time-in-Force” assigned to an Order means the period of time that PSX will hold the Order for potential execution. Participants specify an Order’s Time-in-Force by designating a time at which the Order will become active and a time at which the Order will cease to be active. The available times for activating Orders are:

- The time of the Order’s receipt by PSX;
- the beginning of Market Hours;
- the end of Market Hours;
- the resumption of trading, in the case of a security that is the subject of a trading halt.

The available times for deactivating Orders are:

- “Immediate” (i.e., immediately after determining whether the Order is marketable);
- the end of Market Hours;
- the end of System Hours;
- one year after entry; or
- a specific time identified by the Participant; provided, however, that an Order specifying an expire time beyond the current trading day will be cancelled at the end of the current trading day.

Notwithstanding the Time-in-Force originally designated for an Order, a Participant may always cancel an Order after it is entered.

The following Times-in-Force are referenced elsewhere in PSX’s Rules by the designations noted below:

(1) An Order that is designated to deactivate immediately after determining whether the Order is marketable may be referred to as having a Time in Force of “Immediate or Cancel” or “IOC”. Any Order with a Time-in-Force of IOC entered between 9:30 a.m. ET and 4:00 p.m. ET may be referred to as having a Time-in-Force of “Market Hours Immediate or Cancel” or “MIOC”. An Order with a Time-in-Force of IOC that is entered at any time between 8:00 a.m. ET and 5:00 p.m. ET may be referred to as having a Time-in-Force of “System Hours Immediate or Cancel” or “SIOC”.

(2) An Order that is designated to deactivate at 8:00 p.m. may be referred to as having a Time in Force of “System Hours Day” or “SDAY”.

(3) An Order that is designated to deactivate one year after entry may be referred to as a “Good-till-Cancelled” or “GTC” Order. If a GTC Order is designated as eligible for

execution during Market Hours only, it may be referred to as having a Time in Force of “Market Hours Good-till-Cancelled” or “MGTC”. If a GTC is designated as eligible for execution during System Hours, it may be referred to as having a Time in Force of “System Hours Good-till-Cancelled” or “SGTC”.

(4) An Order that is designated to deactivate at the time specified in advance by the entering Participant may be referred to as having a Time-in-Force of “System Hours Expire Time” or “SHEX”.

(5) An Order that is designated to activate at any time during Market Hours and deactivate at 4:00 p.m. ET may be referred to as having a Time-in-Force of “Market Hours Day” or “MDAY”. An Order entered with a Time-in-Force of MDAY after 4:00 p.m. ET will be accepted but given a Time-in-Force of IOC.

(6) An Order that is designated to activate when entered and deactivate at 4:00 p.m. ET may be referred to as having a Time in Force of “Good-till-Market Close” or “GTMC”. GTMC Orders entered after 4:00 p.m. ET will be treated as having a Time-in-Force of SIOC.

(b) Size. Except as otherwise provided, an Order may be entered in any whole share size between one share and 999,999 shares. Orders for fractional shares are not permitted. The following terms may be used to describe particular Order sizes:

(1) “normal unit of trading” or “round lot” means the size generally employed by traders when trading a particular security, which is 100 shares in most instances;

(2) “mixed lot” means a size of more than one normal unit of trading but not a multiple thereof; and

(3) “odd lot” means a size of less than one normal unit of trading.

(c) Price. With limited exceptions, all Orders must have a price, such that they will execute only if the price available is equal to or better than the price of the Order. The maximum price that the System will accept is \$199,999.99. Certain Orders have a price that is determined by PSX based on the NBBO or other reference prices, rather than by the Participant. As described below with respect to the Pegging Order Attribute, an Order may have a price that is pegged to the opposite side of the market, in which case the Order will behave like a “market order” or “unpriced order” (i.e., an Order that executes against accessible liquidity on the opposite side of the market, regardless of its price).

(d) Pegging. Pegging is an Order Attribute that allows an Order to have its price automatically set with reference to the NBBO; provided, however, that if PSX is the sole market center at the Best Bid or Best Offer (as applicable), then the price of any Displayed Order with Pegging will be set with reference to the highest bid or lowest offer disseminated by a market center other than PSX. An Order with a Pegging Order

Attribute may be referred to as a “Pegged Order.” For purposes of this rule, the price to which an Order is pegged will be referred to as the Inside Quotation, the Inside Bid, or the Inside Offer, as appropriate. There are three varieties of Pegging:

- Primary Pegging means Pegging with reference to the Inside Quotation on the same side of the market. For example, if the Inside Bid was \$11, an Order to buy with Primary Pegging would be priced at \$11.
- Market Pegging means Pegging with reference to the Inside Quotation on the opposite side of the market. For example, if the Inside Offer was \$11.06, an Order to buy with Market Pegging would be priced at \$11.06.
- Midpoint Pegging means Pegging with reference to the midpoint between the Inside Bid and the Inside Offer (the “Midpoint”). Thus, if the Inside Bid was \$11 and the Inside Offer was \$11.06, an Order with Midpoint Pegging would be priced at \$11.03. An Order with Midpoint Pegging is not displayed. An Order with Midpoint Pegging may be executed in sub-pennies if necessary to obtain a midpoint price.

Pegging is available only during Market Hours. An Order with Pegging may specify a limit price beyond which they Order may not be executed; provided, however, that if an Order has been assigned a Pegging Order Attribute and a Discretion Order Attribute, the Order may execute at any price within the discretionary price range, even if beyond the limit price specified with respect to the Pegging Order Attribute. If an Order with Pegging is priced at its limit price, the price of the Order may nevertheless be changed to a less aggressive price based on changes to the Inside Quotation. In addition, an Order with Primary Pegging or Market Pegging may specify an Offset Amount, such that the price of the Order will vary from the Inside Quotation by the selected Offset Amount. The Offset Amount may be either aggressive or passive. Thus, for example, if a Participant entered an Order to buy with Primary Pegging and a passive Offset Amount of \$0.05 and the Inside Bid was \$11, the Order would be priced at \$10.95. If the Participant selected an aggressive Offset Amount of \$0.02, however, the Order would be priced at \$11.02. An Order with Primary Pegging and an Offset Amount will not be Displayed, unless the Order is Attributable. An Order with Midpoint Pegging will not be Displayed. An Order with Market Pegging and no Offset behaves as a “market order” with respect to any liquidity on the PSX Book at the Inside Quotation on the opposite side of the market because it is immediately executable at that price. If, at the time of entry, there is no price to which a Pegged Order can be pegged, the Order will be rejected. In the case of an Order with Midpoint Pegging, if the Inside Bid and Inside Offer are locked, the Order will be priced at the locking price, if the Inside Bid and Inside Offer are crossed, the Order will nevertheless be priced at the midpoint between the Inside Bid and Inside Offer, and if there is no Inside Bid and/or Inside Offer, the Order will be rejected.

Primary Pegging and Market Pegging are available through RASH and FIX only. An Order entered through OUCH or FLITE with Midpoint Pegging will have its price set upon initial entry to the Midpoint, unless the Order has a limit price that is lower than the Midpoint for an Order to buy (higher than the Midpoint for an Order to sell), in which

case the Order will be ranked on the PSX Book at its limit price. Thereafter, if the NBBO changes so that the Midpoint is lower than (higher than) the price of an Order to buy (sell), the Pegged Order will be cancelled back to the Participant.

An Order entered through RASH or FIX with Pegging will have its price set upon initial entry and will thereafter have its price reset in accordance with changes to the relevant Inside Quotation. An Order with Pegging receives a new timestamp whenever its price is updated and therefore will be evaluated with respect to possible execution (and routing, if it has been assigned a Routing Order Attribute) in the same manner as a newly entered Order. If the price to which an Order is pegged is not available, the Order will be rejected.

If an Order with Primary Pegging is updated 1,000 times, it will be cancelled; if an Order with other forms of Pegging is updated 10,000 times, it will be cancelled.

(e) Minimum Quantity. Minimum Quantity is an Order Attribute that allows a Participant to provide that an Order will not execute unless a specified minimum quantity of shares can be obtained. An Order with a Minimum Quantity Order Attribute may be referred to as a “Minimum Quantity Order.” For example, a Participant could enter an Order with a Size of 1000 shares and specify a Minimum Quantity of 500 shares. In that case, upon entry, the System would determine whether there were one or more posted Orders executable against the incoming Order with an aggregate size of at least the minimum quantity (500 shares in the above example). If there were not, the Order would post on the PSX Book in accordance with the characteristics of its underlying Order Type. Once posted to the PSX Book, a Minimum Quantity Order retains its Minimum Quantity Order Attribute, such that the Order may execute only against incoming Orders with a size of at least the minimum quantity condition. An Order that has a Minimum Quantity Order Attribute and that posts to the PSX Book will not be displayed.

Upon entry, an Order with a Minimum Quantity Order Attribute must have a size of at least one round lot. An Order entered through OUCH or FLITE may have a minimum quantity condition of any size of at least one round lot. An Order entered through RASH or FIX must have a minimum quantity of one round lot or any multiple thereof, and a mixed lot minimum quantity condition will be rounded down to the nearest round lot. In the event that the shares remaining in the size of an Order with a Minimum Quantity Order Attribute following a partial execution thereof are less than the minimum quantity specified by the Participant entering the Order, the minimum quantity value of the Order will be reduced to the number of shares remaining. An Order with a Minimum Quantity Order Attribute may not be displayed; if a Participant marks an Order with both a Minimum Quantity Order Attribute and a Display Order Attribute, the System will accept the Order but will give a Time-in-Force of IOC, regardless of the Time-in-Force marked by the Participant. An Order marked with a Minimum Quantity Order Attribute and a Routing Order Attribute will be rejected.

(f) Routing. Routing is an Order Attribute that allows a Participant to designate an Order to employ one of several Routing Strategies offered by PSX, as described in Rule 3315;

such an Order may be referred to as a “Routable Order.” Upon receipt of an Order with the Routing Order Attribute, the System will process the Order in accordance with the applicable Routing Strategy. In the case of a limited number of Routing Strategies, the Order will be sent directly to other market centers for potential execution. For most other Routing Strategies, the Order will attempt to access liquidity available on PSX in the manner specified for the underlying Order Type and will then be routed in accordance with the applicable Routing Strategy. Shares of the Order that cannot be executed are then returned to PSX, where they will (i) again attempt to access liquidity available on PSX and (ii) post to the PSX Book or be cancelled, depending on the Time-in-Force of the Order. Under certain Routing Strategies, the Order may be routed again if the System observes an accessible quotation of another market center, and returned to PSX again for potential execution and/or posting to the PSX Book. In connection with the trading of securities governed by Regulation NMS, all Orders shall be routed for potential execution in compliance with Regulation NMS. Where appropriate, Routable Orders will be marked as Intermarket Sweep Orders.

(g) Discretion. Discretion is an Order Attribute under which an Order has a non-displayed discretionary price range within which the entering Participant is willing to trade; such an Order may be referred to as a “Discretionary Order.” Thus, an Order with Discretion has both a price (for example, buy at \$11) and a discretionary price range (for example, buy up to \$11.03). Depending on the Order Type used, the price may be displayed (for example, a Price to Display Order) or non-displayed (for example, a Non-Displayed Order). The discretionary price range is always non-displayed. In addition, it should be noted that the Discretion Order Attribute may be combined with the Pegging Order Attribute, in which case either the price of the Order or the discretionary price range or both may be pegged in the ways described in Rule 3301A(d) with respect to the Pegging Order Attribute. For example, an Order with Discretion to buy might be pegged to the Best Bid with a \$0.05 passive Offset and might have a discretionary price range pegged to the Best Bid with a \$0.02 passive Offset. In that case, if the Best Bid was \$11, the price of the Order would be \$10.95, with a discretionary price range up to \$10.98. If the Best Bid moved to \$10.99, the price of the Order would then be \$10.94, with a discretionary price range up to \$10.97. Alternatively, if the price of the Order was pegged but the discretionary price range was not, the price of the Order would be \$10.94, but the discretionary price range would continue to range up to \$10.98. Likewise, if the discretionary price range was pegged but the price of the Order was not, the Order would remain priced at \$10.95 but with a discretionary price range of up to \$10.97. A Participant may also specify a limit price beyond which the discretionary price range may not extend.

Under the circumstances described below, PSX processes an Order with Discretion by generating a Non-Displayed Order with a Time-in-Force of IOC (a “Discretionary IOC”) that will attempt to access liquidity available within the discretionary price range. The Discretionary IOC will not be permitted to execute, however, if the price of the execution would trade through a Protected Quotation. If more than one Order with Discretion satisfies conditions that would cause the generation of a Discretionary IOC simultaneously, the order in which such Discretionary IOCs are presented for execution

is random, based on the respective processing time for each such Order. Whenever a Discretionary IOC is generated, the underlying Order with Discretion will be withheld or removed from the PSX Book and will then be routed and/or placed on the PSX Book if the Discretionary IOC does not exhaust the full size of the underlying Order with Discretion, with its price determined by the underlying Order Type and Order Attributes selected by the Participant. Because the circumstances under which a Discretionary IOC will be generated are dependent upon a range of factors, several specific scenarios are described below.

- If an Order has been assigned a Discretion Order Attribute, but has not been assigned a Routing Order Attribute, upon entry of the Order, PSX will automatically generate a Discretionary IOC with a price equal to the highest price for an Order with Discretion to buy (lowest price for an Order with Discretion to sell) within the discretionary price range and a size equal to the full size of the underlying Order to determine if there are any Orders within the discretionary price range on the PSX Book. If the Discretionary IOC does not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the PSX Book in accordance with the parameters that apply to the underlying Order Type. Thus, for example, if a Participant enters a Price to Display Order to buy at \$11 with a discretionary price range of up to \$11.03, upon entry PSX will generate a Discretionary IOC to buy priced at \$11.03. If there is an Order on the PSX Book to sell priced at \$11.02 and an execution at \$11.02 would not trade through a Protected Quotation, the Discretionary IOC will execute against the Order on the PSX Book, up to the full size of each Order. Any remaining size of the Price to Display Order would post to the PSX Book in accordance with its parameters.
- After the Order posts to the PSX Book, PSX will examine whether at any time there is an Order on the PSX Book with a price in the discretionary price range against which the Order with Discretion could execute. In doing so, PSX will examine all Orders (including Orders that are not Displayed). If PSX observes such an Order, it will generate a Discretionary IOC with a price equal to the highest price for an Order to buy (lowest price for an Order to sell) within the discretionary price range and a size equal to the full size of the Order.
- If an Order that uses a passive routing strategy (i.e., a strategy that does not seek routing opportunities after posting to the PSX Book) has been assigned a Discretion Order Attribute but does not have a pegged discretionary price range, upon entry of the Order, PSX will examine all Orders (including Orders that are not Displayed) on the PSX Book to determine if there is an Order on the PSX Book with a price in the discretionary price range against which the Order with Discretion could execute. If PSX observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the PSX Book and a size equal to the applicable size of the Order on the PSX Book. PSX will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the

- selected routing strategy. If there are such quotations, PSX will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center's quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System's routing broker may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the PSX Book in accordance with the parameters that apply to the underlying Order Type. PSX will then examine whether at any time there is an Order on the PSX Book with a price in the discretionary price range against which the Order with Discretion could execute. In doing so, PSX will examine all Orders (including Orders that are not Displayed). If PSX observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the PSX Book and a size equal to the applicable size of the Order on the PSX Book.
- If an Order that uses a reactive routing strategy (i.e., a strategy that seeks routing opportunities after posting to the PSX Book) has been assigned a Discretion Order Attribute but does not have a pegged discretionary price range, upon entry of the Order, PSX will examine all Orders (including Orders that are not Displayed) on the PSX Book to determine if there is an Order on the PSX Book with a price in the discretionary price range against which the Order with Discretion could execute. If PSX observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the PSX Book and a size equal to the applicable size of the Order on the PSX Book. PSX will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, PSX will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center's quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the PSX Book in accordance with the parameters that apply to the underlying Order Type. PSX will then examine whether at any time there is an Order on the PSX Book or an accessible quotation at another trading venue with a price in the discretionary price range against which the Order with Discretion could execute. In examining the PSX Book, PSX will examine all Orders (including Orders that are not Displayed). If PSX observes such an Order or quotation, it will generate a Discretionary IOC with a price equal to the price of such the Order or quotation and a size equal to the applicable size of the Order on the PSX Book or the displayed size of the quotation.
 - If an Order that uses a passive routing strategy has been assigned a Discretion Order Attribute and does have a pegged discretionary price range, upon entry of the Order, PSX will examine all Orders (including Orders that are not Displayed)

- on the PSX Book to determine if there is an Order on the PSX Book with a price in the discretionary price range against which the Order with Discretion could execute. If PSX observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the PSX Book and a size equal to the applicable size of the Order on the PSX Book. PSX will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, PSX will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center's quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the PSX Book in accordance with the parameters that apply to the underlying Order Type. Thereafter, the Order will not generate further Discretionary IOCs unless the Order is updated in a manner that causes it to receive a new timestamp, in which case the Order will behave in the same manner as a newly entered Order.
- If an Order that uses a reactive routing strategy has been assigned a Discretion Order Attribute and does have a pegged discretionary price range, upon entry of the Order, PSX will examine all Orders (including Orders that are not Displayed) on the PSX Book to determine if there is an Order on the PSX Book with a price in the discretionary price range against which the Order with Discretion could execute. If PSX observes such an Order, it will generate a Discretionary IOC with a price equal to the price of the Order on the PSX Book and a size equal to the applicable size of the Order on the PSX Book. PSX will also determine if there are any accessible quotations with prices that are within the discretionary price range at destinations on the applicable routing table for the selected routing strategy. If there are such quotations, PSX will generate one or more Discretionary IOCs to route to such destinations, with a price and size that match the price and size of the market center's quotation. If necessary to maximize execution opportunities and comply with Regulation NMS, the System may mark such Discretionary IOCs as Intermarket Sweep Orders. If the Discretionary IOC(s) do not exhaust the full size of the Order with Discretion, the remaining size of the Order with Discretion will post to the PSX Book in accordance with the parameters that apply to the underlying Order Type. PSX will then examine whether at any time there is an Order on the PSX Book or an accessible quotation at another trading venue with a price in the discretionary price range against which the Order with Discretion could execute. In examining the PSX Book, PSX will examine Displayed Orders but will not examine Non-Displayed Orders. If PSX observes such an Order or quotation, it will generate a Discretionary IOC with a price equal to the price of such the Order or quotation and a size equal to the applicable size of the Order on the PSX Book or the displayed size of the quotation.

(h) Reserve Size. Reserve Size is an Order Attribute that permits a Participant to stipulate that an Order Type that is displayed may have its displayed size replenished from additional non-displayed size. An Order with Reserve Size may be referred to as a "Reserve Order." At the time of entry, the displayed size of such an Order selected by the Participant must be one or more normal units of trading; an Order with a displayed size of a mixed lot will be rounded down to the nearest round lot. A Reserve Order with displayed size of an odd lot will be accepted but with the full size of the Order displayed. Reserve Size is not available for Orders that are not displayed; provided, however, that if a Participant enters Reserve Size for a Non-Displayed Order with a Time-in-Force of IOC, the full size of the Order, including Reserve Size, will be processed as a Non-Displayed Order.

Whenever a Participant enters an Order with Reserve Size, PSX will process the Order as two Orders: a Displayed Order (with the characteristics of its selected Order Type) and a Non-Displayed Order. Upon entry, the full size of each such Order will be processed for potential execution in accordance with the parameters applicable to the Order Type. For example, a Participant might enter a Price to Display Order with 200 shares displayed and an additional 3,000 shares non-displayed. Upon entry, the Order would attempt to execute against available liquidity on the PSX Book, up to 3,200 shares. Thereafter, unexecuted portions of the Order would post to the PSX Book as a Displayed Price to Display Order and a Non-Displayed Order; provided, however, that if the remaining total size is less than the display size stipulated by the Participant, the Displayed Order will post without Reserve Size. Thus, if 3,050 shares executed upon entry, the Price to Display Order would post with a size of 150 shares and no Reserve Size.

When an Order with Reserve Size is posted, if there is an execution against the Displayed Order that causes its size to decrease below a normal unit of trading, another Displayed Order will be entered at the level stipulated by the Participant while the size of the Non-Displayed Order will be reduced by the same amount. Any remaining size of the original Displayed Order will remain on the PSX Book. The new Displayed Order will receive a new timestamp, but the Non-Displayed Order (and the original Displayed Order, if any) will not; although the new Displayed Order will be processed by the System as a new Order in most respects at that time, if it was designated as Routable, the System will not automatically route it upon reentry. For example, if a Price to Comply Order with Reserve Size posted with a Displayed Size of 200 shares, along with a Non-Displayed Order of 3,000 and the 150 shares of the Displayed Order was executed, the remaining 50 shares of the original Price to Comply Order would remain, a new Price to Comply Order would post with a size of 200 shares and a new timestamp, and the Non-Displayed Order would be decremented to 2,800 shares. Because a new Displayed Order is entered and the Non-Displayed Order is not reentered, there are circumstances in which the Displayed Order may receive a different price than the Non-Displayed Order. For example, if, upon reentry, a Price to Display Order would lock or cross a newly posted Protected Quotation, the price of the Order will be adjusted but its associated Non-Displayed Order would not be adjusted. In that circumstance, it would be possible for the better priced Non-Displayed Order to execute prior to the Price to Display Order.

A Participant may stipulate that the Displayed Order should be replenished to its original size. Alternatively, the Participant may stipulate that the original and subsequent displayed size will be an amount randomly determined based on factors selected by the Participant. Specifically, the Participant would select both a theoretical displayed size and a range size, which may be any share amount less than the theoretical displayed size. The actual displayed size will then be determined by the System within a range in which the minimum size is the theoretical displayed size minus the range size, and the maximum size is (i) the minimum size plus (ii) an amount that is two times the range size minus one round lot. For example, if the theoretical displayed size is 600 shares and the range size is 500, the minimum displayed size will be 100 shares (600-500), and the maximum size will be 1,000 shares ((600-500) + ((2 x 500) - 100)).

When the Displayed Order with Reserve Size is executed and replenished, applicable market data disseminated by PSX will show the execution and decrementation of the Displayed Order, followed by replenishment of the Displayed Order.

In all cases, if the remaining size of the Non-Displayed Order is less than the fixed or random amount stipulated by the Participant, the full remaining size of the Non-Displayed Order will be displayed and the Non-Displayed Order will be removed.

(i) Attribution. Attribution is an Order Attribute that permits a Participant to designate that the price and size of the Order will be displayed next to the Participant's MPID in market data disseminated by PSX. An Order with Attribution is referred to as an "Attributable Order" and an Order without attribution is referred to as a "Non-Attributable Order."

(j) Intermarket Sweep Order. Designation of an Order as an Intermarket Sweep Order, or ISO, is an Order Attribute that allows the Order to be executed within PSX by Participants at multiple price levels without respect to Protected Quotations of other market centers within the meaning of Rule 600(b) under Regulation NMS. ISOs are immediately executable within PSX against Orders against which they are marketable. An Order designated as an ISO may not be assigned a Routing Order Attribute. In connection with the trading of securities governed by Regulation NMS, Intermarket Sweep Orders shall be executed exclusively within the System and the entering Participant shall be responsible for compliance with Rules 610 and 611 under Regulation NMS with respect to order protection and locked and crossed markets with respect to such Orders. Orders eligible for execution outside the System shall be processed in compliance with Regulation NMS, including accessing Protected Quotations and resolving locked and crossed markets, as instructed.

Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering Participant to execute against the full displayed size of any Protected Quotation with a price that is superior to the price of the Order identified as an Intermarket Sweep Order (as defined in Rule 600(b) under Regulation NMS). These additional routed orders must be identified as Intermarket Sweep Orders.

Upon receipt of an ISO, the System will consider the stated price of the ISO to be available for other Orders to be entered at that price, unless the ISO is not itself accepted at that price level (for example, a Post-Only Order that has its price adjusted to avoid executing against an Order on the PSX Book) or the ISO is not Displayed.

In addition, as described with respect to various Order Types, such as the Price to Comply Order, Orders on the PSX Book that had their price adjusted may be eligible to be reentered at the stated price of the ISO. For example, if a Price to Comply Order to buy at \$11 would lock a Protected Offer at \$11, the Price to Comply Order will be posted with a non-displayed price of \$11 and a displayed price of \$10.99. If the System then receives an ISO to buy at \$11, the ISO will be posted at \$11 and the Price to Comply Order will be reentered at \$11 (if the Participant opted to have its Orders reentered). The respective priority of such reentered Orders will be maintained among multiple repriced Orders; however, other new Orders may also be received after receipt of the ISO but before the repricing of the Price to Comply Order is complete; accordingly, the priority of an Order on the PSX Book vis-à-vis a newly entered Order is not guaranteed.

(k) Display. Display is an Order Attribute that allows the price and size of an Order to be displayed to market participants via market data feeds. All Orders that are Attributable are also displayed, but an Order may be displayed without being Attributable. As discussed in Rule 3301A, a Non-Displayed Order is a specific Order Type, but other Order Types may also be non-displayed if they are not assigned a Display Order Attribute; however, depending on context, all Orders that are not displayed may be referred to as “Non-Displayed Orders.” An Order with a Display Order Attribute may be referred to as a “Displayed Order.”

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3305. Reserved. [Order Entry Parameters]

[(a) System Orders]

[(1) General— Only orders for NMS stocks may be entered and executed through PSX. PSX is the only venue on the Exchange for the entry and execution of orders in NMS stocks. A System order is an order that is entered into the System for display and/or execution as appropriate. Such orders are executable against marketable contra-side orders in the System.]

[(A) All System Orders shall indicate limit price and whether they are a buy, short sale, or long sale. System Orders can be designated as System Hours Expire Time ("SHEX"), System Hours Day ("SDAY"), System Hours Good-till-Cancelled ("SGTC"), System Hours Immediate or Cancel ("SIOC"), Market Hours GTC ("MGTC") or Good-til-Market Close ("GTMC").]

[(B) A System order may also be designated with one or more of the following designations: a Discretionary Order, a Limit Order, a Reserve Order, a Pegged Order, a Displayed Order, a Non- Displayed Order, a Minimum Quantity Order, an Intermarket Sweep Order, a Price to Comply Order, a Price to Comply Post Order, or a Post-Only Order.]

[(C) Pegged Orders may be entered only between 9:30 a.m. and 4:00 p.m. Eastern Time.]

[(2) Reserved.]

[(3) Routing. All System orders entered by Participants directing or permitting routing to other market centers shall be routed for potential display and/or execution as set forth in Rule 3315. In connection with the trading of securities governed by Regulation NMS, System orders shall be routed for potential display and/or execution in compliance with Regulation NMS.]

[(b) Regulation NMS—In connection with the trading of securities governed by Regulation NMS, Intermarket Sweep Orders shall be executed exclusively within the System and the entering Participants shall be responsible for compliance with the Regulation NMS Order Protection Rule and Locked and Crossed market rule with respect to such orders. All other orders must be entered with a Time in Force of System Hours Immediate or Cancel or designated as either a Pegged Order, a Price to Comply order or a Post-Only Order. Orders shall be processed in compliance with Regulation NMS by being priced by the System in a manner that avoids trading through protected quotations and avoids locked and crossed markets. The System will not route orders to other market centers.]

Rule 3306. Entry and Display of Quotes and Orders

(a) Entry of Orders—Participants can enter orders into the System, subject to the following requirements and conditions:

(1) – (2) No change.

(3) Orders can be entered into the System (or previously entered orders cancelled or modified) from 8:00 a.m. until 5:00 p.m. [Eastern Time] ET. Participants may modify a previously entered [o]Order without cancelling it or affecting the priority of the [o]Order on the PSX [b]Book solely for the purpose of modifying the marking of a sell order as long, short, or short exempt; provided, however, that such a modification may be made only with respect to Orders entered through OUCH or FLITE; and provided further, that if an [o]Order is redesignated as short, a Short Sale Period is in effect under Rule 3303, and the [o]Order is not priced at a Permitted Price or higher under Rule 3303(d), the [o]Order will be cancelled. In addition, a partial cancellation of an [o]Order to reduce its share size will not affect the priority of the [o]Order on the book; provided, however that such a partial cancellation may not be made with respect to a Pegged Order (including a Discretionary Order that is Pegged). Except as provided in Rule 3311, all other

SR-Phlx-2015-29

modifications of orders will result in the replacement of the original order with a new order with a new time stamp.

(b) – (c) No change.

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