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RULES OF THE CHICAGO STOCK EXCHANGE, INC.

ARTICLE 1. Definitions and General Information

Rule 1. Definitions

Whenever and wherever used in these Rules, unless the context requires otherwise, the following terms shall have the respective meanings ascribed to them below:

(yy) "Registered Person" shall mean any person registered with the Exchange under any registration categories specified under Articles 6 or 16, any person who is permissively registered or any person designated as eligible for a waiver pursuant to the Rules.

ARTICLE 6. Registration, Supervision and Training

Rule 2. Registration and Approval of Participant Personnel

(a) ~~[All Representatives Must Be Registered]~~Registration of Representatives. The term "representative" is defined under Article 6, Rule 14(b)(1). All ~~r~~[R]epresentatives shall be registered as such with the Exchange in the category of registration appropriate to the function to be performed, pursuant to Article 6, Rules 3 and 13. The individual associated person shall submit the appropriate application for registration, pass a qualification examination appropriate to the category of registration as prescribed by the Exchange, submit any required registration and examination fees and will be subject to continuing education requirements. Every other employee and person associated with a Participant must also be acceptable to the Exchange.

(b) [Definition of Representatives. Persons associated with a Participant who are engaged or will be engaged in the securities business of a Participant, or the management of such securities business, including the functions of supervision, solicitation, conduct of business or the training of persons associated with a Participant for any of these functions are Representatives.

(c) *Registration of Principals.* The term “principal” is defined under Article 6, Rule 14(a)(1). All persons engaged or to be engaged in the securities business of a Participant who are to function as a p[P]rincipal shall be registered with the Exchange in the category of registration appropriate to the function to be performed, pursuant to Article 6, Rule 3 and Rule 13[as a General Securities Principal, unless the Principal meets the requirements under this Rule 2(c). Each Principal shall pass the Series 24 or Series 14 exam, as applicable, pursuant to Article 6, Rule 3(b)].

(1) *Definition of Principals.* Persons associated with a Participant, enumerated in subparagraphs (A) through (E) hereafter, who are actively engaged in the management of the Participants' securities business, including supervision, solicitation, conduct of business or the training of persons associated with a member for any of these functions are designated as Principals. Such persons shall include:

- (A) Sole Proprietors;
- (B) Officers;
- (C) Partners;
- (D) Branch office managers; and
- (E) Directors.

(2) *Securities Trader Principal*

(A) Each Principal shall register with the Exchange as a *Securities Trader Principal* if such Principal supervises the securities trading activities of a Participant. A Principal is required to pass the Series 57 exam as a prerequisite to registration as a Securities Trader Principal.

(B) A person registered as a Securities Trader Principal shall only be qualified to supervise the securities trading activities of a Participant and shall not be qualified to supervise any other activities of a Participant. A Principal shall not be qualified to supervise the trading activities of a Participant, unless such person is registered as a Securities Trader Principal.

(3) *Limited Principal – Financial and Operations*

(A) Each Participant that is operating pursuant to the provisions of Exchange Act Rule 15c3-1(a)(1)(ii), (a)(2)(i) or (a)(8), shall designate as Limited Principal – Financial and Operations those persons associated with it, at least one of whom shall be its chief financial officer, who performs the duties described in subparagraph (B) hereof. Each person

associated with a Participant who performs such duties shall be required to register as a Limited Principal – Financial and Operations with the Exchange and shall pass an appropriate Qualification Examination before such registration may become effective.

(B) The term “Limited Principal – Financial and Operations” (“FINOP”) shall mean a person associated with a Participant whose duties include:

- (i) final approval and responsibility for the accuracy of financial reports submitted to any duly established securities industry regulatory body;
- (ii) final preparation of such reports;
- (iii) supervision of individuals who assist in the preparation of such reports;
- (iv) supervision of and responsibility for individuals who are involved in the actual maintenance of the Participant’s books and records from which such reports are derived;
- (v) supervision and/or performance of the Participant’s responsibilities under all financial responsibility rules promulgated pursuant to the provisions of the Act;
- (vi) overall supervision of and responsibility for the individuals who are involved in the administration and maintenance of the Participant’s back office operations; or
- (vii) any other matter involving the financial and operational management of the Participant.

(C) A person registered solely as a FINOP shall not be qualified to function in a Principal capacity with responsibility over any area of business activity not described in subparagraph (B) hereof.

(D) A FINOP of a Participant Firm may be a full-time employee, a part-time employee or independent contractor of the Participant Firm. Participants must provide prompt written notice to the Exchange's Compliance and Examinations Department for each person designated as a FINOP reporting whether such person is a full-time employee, part-time employee or independent contractor.

(4)] *Chief Compliance Officer.* Each Participant Firm shall name one (1) Chief Compliance Officer who must comply with the Examination and Qualification provisions set forth in Rule 3(b) below.

[(5) *Requirement of Two Registered Principals for Participants.* A Participant shall have at least two officers or partners who are registered as Principals with respect to each aspect of the Participant’s securities business pursuant to the applicable provisions of Rule 3 of this Article. This requirement applies to applicants seeking admission as Participants and existing Participants. In addition to the two registered Principals, Participants shall also have at least one person qualified for registration as a FINOP pursuant to Rule 3(c) of this Article.

(6) *Waiver of Two-Principal Requirement.* Based upon the written application of the Participant or prospective Participant, the Exchange may waive the requirement to maintain two Principals if the Participant demonstrates conclusively that only one individual acting in such capacity should be required to register. A Participant that conducts a proprietary trading business only and has 25 or fewer Representatives shall only be required to have one officer or partner who is registered as a Principal.

A Participant shall be considered to conduct only proprietary trading if the Participant has the following characteristics:

- (A) The Participant is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member;
- (B) All funds used or proposed to be used by the Participant are the Participant’s own capital, traded through the Participant’s own accounts;
- (C) The Participant does not, and will not, have customers; and
- (D) All persons registered on behalf of the Participant acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Participant.](2) Requirement of Two Registered Principals for Participants. Each Participant, other than a sole proprietorship is required to register at least two principals with the Exchange; provided, however, that a proprietary trading firm with 25 or fewer representatives shall only be required to register one principal with the Exchange. A person registered solely as a Financial and Operations Principal or an Introducing Broker-Dealer Financial and Operations Principal (“FINOP”), as defined under Article 6, Rule 14(a)(4), does not count toward the two-principal requirement and shall not be qualified to function in a principal capacity with responsibility over any area of business activity not described under Article 6, Rule 14(a)(4). The Exchange may waive the provisions of this paragraph (b)(2) in situations that indicate conclusively that only one Person associated with an applicant for membership should be required to register as a principal. For purposes of this paragraph (b)(2), a “proprietary trading firm” shall mean a Participant meeting the following characteristics: it trades its own

capital, does not have customers, excluding broker-dealers, and is not a FINRA member. To qualify for this definition, the funds used by a proprietary trading firm must be exclusively firm funds, all trading must be in the firm's accounts, and traders must be owners of, employees of, or contractors to the firm.

[(d)](c) *Persons Exempt from Registration.* Only persons who qualify for exemption from registration pursuant to Article 6, Rule 15 shall be exempt from registration with the Exchange. [The following persons associated with a Participant are not required to be registered with the Exchange:

- (1) persons associated with a Participant whose functions are solely and exclusively clerical or ministerial;
- (2) persons associated with a Participant who are not actively engaged in the securities business;
- (3) individual Participants and individual associated persons whose functions are related solely and exclusively to the Participant's need for nominal corporate officers or for capital participation; and
- (4) individual associated persons whose functions are related solely and exclusively to:
 - (A) transactions in commodities; or
 - (B) transactions in security futures; or
 - (C) effecting transactions at another national securities exchange and who are registered as members with such exchange.

(e)](d) *Impermissible Registrations.* Participants shall not register or maintain the registration of any person unless consistent with the requirements of Article 6, Rule 13. [Other Registration Requirements. A Participant shall not make application for the registration of any person associated with the Participant where there is no intent to employ such person in the securities business of the Participant. A Participant shall not maintain a registration with the Exchange for any person (1) who is no longer active in the Participant's securities business; (2) who is no longer functioning in the registered capacity; or (3) where the sole purpose is to avoid an examination requirement. A Participant may, however, maintain or make application for registration of an individual who performs legal, compliance, internal audit, back-office operations, or similar responsibilities for the Participant, or a person who performs administrative support functions for registered personnel, or a person engaged in the securities business of a foreign securities affiliate or subsidiary of the Participant. Upon notice to a Participant that the Exchange has withheld or withdrawn approval of the registration of a person required to be registered hereunder, or has withheld or withdrawn approval of any other

person, the relationship between the Participant and such person (unless in a different capacity for which such person is deemed acceptable) shall be terminated.]

[(f)](e) *Statutory Disqualification.* If a Participant knows, or in the exercise of reasonable care should know, that any prospective employee or person associated with the Participant is subject to one or more statutory disqualifications referred to in the Exchange Act, such Participant shall submit details on Form U-4, on such prospective employee or person associated with such Participant to the Exchange and receive Exchange approval before such person becomes associated with the Participant. Each Participant shall take reasonable care to determine the existence of a statutory disqualification prior to employing any prospective person to be associated with the Participant. If a person already associated with a Participant thereafter becomes subject to a statutory disqualification, notice shall be sent to the Exchange promptly, in the form of an amended Form U-4 (for r[R]epresentatives). If a Participant or Participant Firm becomes subject to a statutory disqualification, the Participant or Participant Firm shall promptly notify the Exchange.

[(g) *Lapse of Registration.* Any person whose registration has been revoked by the Exchange or whose most recent registration as a Representative or Principal has been terminated for a period of two (2) or more years immediately preceding the date of receipt by the Exchange of a new application shall be required to pass a Qualification Examination appropriate to the category of registration as specified in Rule 3 of this Article.]

• • • *Interpretations and Policies:*

.01 When registering persons under this Rule, a completed Form U-4 and an amended Form BD, if such Form is required to be amended, shall be submitted to the FINRA Web Central Registration Depository ("Web CRD"). Thereafter, revised forms shall be submitted to the Web CRD whenever information on such forms becomes inaccurate or incomplete regarding any r[R]epresentative, not later than 30 days after such r[R]epresentative learns or should have learned the facts or circumstances requiring the forms to be revised or, if such revision involves a statutory disqualification as defined in Section 3(a)(39) and Section 15(b)(4) of the Securities Exchange Act of 1934, as amended, not later than 10 days after such disqualification occurs.

Rule 3. Training and Examination of Registrants

(a) Registration Requirements of Representatives

(1) Each r[R]epresentative shall be required to register with the Exchange as a General Securities Representative and pass the [Series 7] General Securities Representative qualification e[E]xamination ("Series 7") and the Securities Industry Essentials ("SIE") qualification examination. However, [a Representative that is engaged in securities trading activities, on either an agency

or principal basis, for the Participant with which the Representative is associated, must register with the Exchange as each representative meeting the definition of a Securities Trader under Article 6, Rule 14(b)(3) must [and]pass the [Series 57]Securities Trader Examination (“Series 57”) and the SIE, subject to paragraph (a)(2) below.

(2) A r[R]representative that is engaged solely in securities trading activities described under Article 6, Rule 14(b)(3), on either an agency or principal basis, for the Participant with which the r[R]representative is associated, shall not be required to register with the Exchange as a General Securities Representative. A r[R]representative registered with the Exchange solely as a Securities Trader will not be qualified to function in any other registration category.

(b) *Supervisory Requirements and Registration.* All R[r]registered P[p]ersons designated as [P]principals as defined under Article 6, Rule 14(a)[in Rule 2(c)(1) of this Article], all persons holding authority and responsibility for the firm's internal supervision and compliance program pursuant to Rule 5 of this Article and each person designated as a Chief Compliance Officer must [successfully complete and maintain]pass the General Securities Principal qualification e[E]xamination[,] (“Series 24”).

(1) [*Securities Trading Exception.* If the Participant Firm engages solely in securities trading activities, on either an agency or principal basis, and the Firm meets the requirements listed under this subsection (b) and the requirements in Rule 2(c)(1), the Chief Compliance Officer may, in the alternative, complete and maintain the Compliance Officer Exam, Series 14]The Exchange will accept the New York Stock Exchange (“NYSE”) Compliance Official Examination (“NYSE Series 14”) as an alternative qualification to the Series 24 to register as a principal an individual identified as the Chief Compliance Officer on the Participant’s Form BD.

(c) *Financial and Operations Principals.* Each Participant Firm shall designate at least one (1) [Limited Principal – Financial and Operations (“FINOP”)]FINOP or Introducing Broker-Dealer FINOP, as applicable. All R[r]registered P[p]ersons designated as a FINOP must pass[successfully complete and maintain] the Financial and Operations Principal qualification e[E]xamination[,] (“Series 27”) and all Registered Persons designated as an Introducing Broker-Dealer FINOP must pass the Introducing Broker-Dealer Financial and Operations Principal qualification examination (“Series 28”).

(d) *Institutional Broker Representatives.* All applicants seeking to register as Institutional Broker Representatives, as defined under Article 1, Rule 1(gg), must pass the Exchange’s Institutional Broker Examination and comply with the provisions of Article 17.[All Institutional Broker Representatives must pass the Exchange’s internal Institutional Broker Examination and comply with the provisions of Article 17 hereunder.] Institutional Broker Representatives must also pass the [Series 7]General Securities Representative qualification e[E]xamination and the SIE as a prerequisite to comply with subsection (b) above. However, Institutional Broker Representatives at Participant Firms that do not hold Customer accounts and that only execute orders from

other brokers or dealers or engage in proprietary trading only must pass the [Series 57] Securities Trader qualification examination and the SIE[Exam]. Passing the Securities Trader qualification examination and the SIE[Series 57 exam] will, in turn, qualify the Institutional Broker Representative to take the General Securities Principal qualification examination[Series 24 exam] or the NYSE Compliance Official Examination for compliance with subsection (b) of this rule above[, unless the Firm qualifies for the Securities Trading Exception and otherwise meets the supervisory requirements of this Article 6].

[• • • *Interpretations and Policies:*

.01 Persons Registered in Special Capacities

(a) Institutional Broker Exam

All applicants seeking to register as Institutional Broker Representatives must successfully complete the Institutional Broker Exam.

.02 Waiver of the Examination Requirement

The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination. To make such determination, the Exchange will consider FINRA and industry guidelines. Advanced age or physical infirmity will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.]

Rule 10. Fingerprinting

Each Participant is responsible for ensuring compliance with Section 17(f)(2) of the Exchange Act and Rule 17f-2 under the Exchange Act, regarding the fingerprinting of securities industry personnel.

[Each Participant shall submit the fingerprints of its associated persons to the FINRA Web CRD prior to such persons performing the functions listed under Rule 17f-2 under the Exchange Act.]

Upon filing an electronic Form U4 on behalf of a person applying for registration, a Participant shall promptly submit fingerprint information for that person. The Exchange may make a registration effective pending receipt of the fingerprint information. If a Participant fails to submit the fingerprint information within 30 days after the Exchange receives the electronic Form U4, the person's registration shall be deemed inactive. In such case, the Exchange shall notify the Participant that the person must immediately cease all activities requiring registration and is prohibited from performing any duties and functioning in any capacity requiring registration. The Exchange shall administratively terminate a registration that is inactive for a period of two years. A person whose

registration is administratively terminated may reactivate the registration only by reapplying for registration and meeting the qualification requirements under the Rules. Upon application and a showing of good cause, the Exchange may extend the 30-day period.

Rule 11. Continuing Education for Registered Persons

(a) Regulatory Element—No member or member organization shall permit any R[r]egistered P[p]erson to continue to, and no R[r]egistered P[p]erson shall continue to, perform duties as a R[r]egistered P[p]erson, unless such person has complied with the continuing education requirements of Section (a) of this Rule.

Each R[r]egistered P[p]erson shall complete the Regulatory Element of the continuing education program on the occurrence of their second registration anniversary date and every three years thereafter, or as otherwise prescribed by the Exchange. On each of the occasions, the Regulatory Element must be completed within one hundred twenty days after the person's registration anniversary date. A person's initial registration date, also known as the "base date," shall establish the cycle of anniversary dates for purposes of this rule. The content of the Regulatory Element of the program shall be determined by the Exchange and shall be appropriate to the status of the person subject to this Rule[for each registration category of persons subject to the rule]. The content of the Regulatory Element for a person designated as eligible for waiver pursuant to paragraph .08 of the Interpretations and Policies of Article 6, Rule 13 shall be determined based on the person's most recent registration status, and the Regulatory Element shall be completed based on the same cycle had the person remain registered.

(1) Failure to complete—Unless otherwise determined by the Exchange, any R[r]egistered P[p]ersons who have not completed the Regulatory Element of the program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this Rule shall cease all activities as a R[r]egistered P[p]erson and is prohibited from performing any duties and functioning in any capacity requiring registration.

Further, such person may not accept or solicit business or receive any compensation for the purchase or sale of securities. However, such person may receive trail or residual commissions resulting from transactions completed before the inactive status, unless the Participant with which such person is associated has a policy prohibiting such trail or residual commissions.

A registration that is inactive for a period of two years will be administratively terminated. A person whose registration is so terminated may reactivate the registration only by reapplying for registration and meeting the qualification requirements of the applicable provisions of these Rules. The Exchange may, upon application and a showing of good cause, allow for additional time for a R[r]egistered P[p]erson to satisfy the program requirements. If a person

designated as eligible for a waiver pursuant to paragraph .08 of the Interpretations and Policies of Article 6, Rule 13 fails to complete the Regulatory Element within the prescribed time frames, the person shall no longer be eligible for such a waiver.

(2) Disciplinary Actions—Unless otherwise determined by the Exchange, a R[r]egistered P[p]erson, other than a person designated as eligible for a waiver pursuant paragraph .08 of the Interpretations and Policies of Article 6, Rule 13, will be required to re-take the Regulatory Element and satisfy all of its requirements if such person:

(A) becomes subject to any statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934;

(B) becomes subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding; or

(C) is ordered as a sanction in a disciplinary proceeding to re-take the continuing education program by any securities governmental agency or any securities self-regulatory organization.

The re-taking of the Regulatory Element shall commence with participation within 120 days of the R[r]egistered P[p]erson becoming subject to the statutory disqualification, in the case of (A) above, or the disciplinary action becoming final, in the case of (B) or (C) above.

(3) The following sets forth the Regulatory Element appropriate for each registration category:

CATERGORY OF REGISTRATION	REGULATORY ELEMENT
General Securities Representative	S101 General Program
Securities Trader	S101 General Program
General Securities Principal	S201 Supervisor Program
Securities Trader Principal	S201 Supervisor Program
Financial and Operations Principal	S201 Supervisor Program
<u>Introducing Broker-Dealer Financial and Operations Principal</u>	<u>S201 Supervisor Program</u>
<u>General Securities Sales Supervisor</u>	<u>S201 Supervisor Program</u>

(4) Unchanged

(5) Reassociation in a Registered Capacity. Any Registered Person who has terminated association with a Participant and who has, within two years of the date of termination, become reassociated in a registered capacity with a Participant shall participate in the Regulatory Element at such intervals that may apply (second anniversary and every three years thereafter) based on the initial registration anniversary date rather than based on the date of reassociation in a registered capacity.

(6) Each Participant shall designate and identify to the Exchange (by name and e-mail address) an individual or individuals responsible for receiving e-mail notifications provided via Web CRD regarding when a Registered Person is approaching the end of his or her Regulatory Element time frame and when a Registered Person is deemed inactive due to failure to complete the requirements of the Regulatory Element program. Each Participant shall identify, review, and, if necessary, update the information regarding the Regulatory Element contact person(s) with Web CRD.

(b) Firm Element

(1) Persons Subject to the Firm Element— The requirements of Section (b) of this Rule shall apply to any R[r]egistered P[p]erson who has a Series 57 registration or direct contact with customers in the conduct of the Participant's securities sales, trading or investment banking activities, and to the immediate supervisors of such persons (collectively, "C[c]overed R[r]egistered P[p]ersons").

(2) Standards

(A) Each Participant must maintain a continuing and current education program for its C[c]overed R[r]egistered P[p]ersons to enhance their securities knowledge, skills and professionalism. At a minimum, each Participant shall at least annually evaluate and prioritize its training needs and develop a written training plan. The plan must take into consideration the Participant's size, organizational structure, and scope of business activities, as well as regulatory developments and the performance of C[c]overed R[r]egistered P[p]ersons in the Regulatory Element. If a Participant analysis determines a need for supervisory training for persons with supervisory responsibilities, such training must be included in the Participant's training plan.

(B) Minimum Standards for Training Programs—Programs used to implement a Participant's training plan must be appropriate for the business of the Participant and, at a minimum, must cover training in ethics and professional responsibility and the following matters concerning securities products, services and strategies offered by the Participant:

- (i) General investment features and associated risk factors;
- (ii) Suitability and sales practice considerations; and
- (iii) Applicable regulatory requirements.

(C) Administration of Continuing Education Program—Each Participant must administer its continuing education program in accordance with its annual evaluation and written plan and must maintain records documenting the content of the programs and completion of the programs by C[c]overed R[r]egistered P[p]erson.

(3) Participation in the Firm Element—Covered R[r]egistered P[p]ersons included in a Participant's plan must take all appropriate and reasonable steps to participate in continuing education programs as required by the Participant.

(4) Specific Training Requirements—The Exchange may require a Participant, either individually or as part of a larger group, to provide specific training to its C[c]overed R[r]egistered P[p]ersons in such areas the Exchange deems appropriate. Such a requirement may stipulate the class of C[c]overed R[r]egistered P[p]ersons for which it is applicable, the time period in which the requirement must be satisfied and, where appropriate, the actual training content.

••• *Interpretations and Policies:*

.01 [For purposes of this Rule, t]The term "R[r]egistered P[p]erson" is defined under Article 1, Rule 1(yy)[means any Participant, registered representative or other person registered or required to be registered under Exchange rules].

.02 For purposes of this Rule, the term "customer" means any natural person or any organization, other than a registered broker or dealer, executing transactions in securities or other similar instruments with or through, or receiving investment banking services from, a Participant.

.03 A R[r]egistered P[p]erson who becomes subject to a disciplinary action as enumerated in subsections (a)(2)(A)-(C) of the Rule, will be required to satisfy the requirements of the Regulatory Element of the continuing education program with the date that the person becomes subject to statutory disqualification, in the case of subsection (a)(2)(A) of the Rule, or the person's disciplinary action becomes final, in the case of subsections (a)(2)(B) or (C) of the Rule, as the person's new base date.

.04 [Any registered person who has terminated association with a registered broker or dealer and who has, within two years of the date of termination, become reassociated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element of the continuing education program at such intervals that apply (second

registration anniversary and every three years thereafter based on the initial registration anniversary date, rather than based on the date of reassociation in a registered capacity.]

Any former R[r]egistered P[p]erson who becomes reassociated in a registered capacity with a registered broker or dealer more than two years after termination as such will be required to satisfy the program's requirements in their entirety (second registration anniversary and every three years thereafter) based on the most recent registration date.

.05 Reserved[Any registration that is deemed inactive for a period of two calendar years pursuant to section (a)(2) of this Rule for failure of a registered person to complete the Regulatory Element, shall be terminated. A person whose registration is so terminated may become registered only by reapplying for registration and satisfying applicable registration and qualification requirements of Exchange rule.]

.06 A R[r]egistered P[p]erson who is a member of the Exchange and of another self-regulatory organization ("SRO") shall be subject to the other SRO's implementation date for the elimination of exceptions to the Regulatory Element section of the continuing education program, if that date is earlier than October 1, 2005.

Rule 13. Registration Requirements

Each person engaged in the investment banking or securities business of a Participant shall be registered with the Exchange as a representative or principal in each category of registration appropriate to his or her functions and responsibilities as specified in Article 6, Rule 14, unless exempt from registration pursuant to Article 6, Rule 15. Such person shall not be qualified to function in any registered capacity other than that for which the person is registered, unless otherwise stated in the Rules.

• • • Interpretations and Policies:

.01 Permissive Registrations. A Participant may make application for or maintain the registration as a representative or principal of any associated person of a Participant and any individual engaged in the securities business of a foreign securities affiliate or subsidiary of the Participant. Individuals maintaining such permissive registrations shall be considered Registered Persons and subject to all Rules, to the extent relevant to their activities. Consistent with the requirements of the Exchange's supervision Rules, Participants shall have adequate supervisory systems and procedures reasonably designed to ensure that individuals with permissive registrations do not act outside the scope of their assigned functions. With respect to an individual who solely maintains a permissive registration(s), the individual's direct supervisor shall not be required to be a Registered Person. However, for purposes of compliance with the Exchange's supervision rules, a Participant shall assign a registered supervisor who shall be responsible for periodically

contacting such individual's direct supervisor to verify that the individual is not acting outside the scope of his or her assigned functions. If such individual is permissively registered as a representative, the registered supervisor shall be registered as a representative or principal. If the individual is permissively registered as a principal, the registered supervisor shall be registered as a principal. Moreover, the registered supervisor of an individual who solely maintains a permissive registration(s) shall not be required to be registered in the same representative or principal registration category as the permissively-registered individual.

.02 Qualification Examinations and Waivers of Examinations. Before the registration of a person as a representative can become effective under Article 6, Rule 13, such person shall pass the Securities Industry Essentials ("SIE") and an appropriate representative qualification examination as specified in Article 6, Rule 14(b). Before the registration of a person as a principal can become effective under Article 6, Rule 13, such person shall pass an appropriate principal qualification examination as specified in Article 6, Rule 14(a). If the job functions of a registered representative change so as to require the person to register in another representative category, the person shall not be required to pass the SIE. Rather, the Registered Person would need to pass only an appropriate representative qualification examination as specified in Article 6, Rule 14(b). All associated persons shall be eligible to take the SIE. In addition, individuals who are not associated persons shall be eligible to take the SIE. However, passing the SIE alone shall not qualify an individual for registration with the Exchange. To be eligible for registration with the Exchange, an individual shall pass an applicable representative or principal qualification examination as specified in Article 6, Rule 14 and satisfy all other applicable prerequisite registration requirements. The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination(s) and accept other standards as evidence of an applicant's qualifications for registration. Age or disability will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the investment banking or securities business may constitute sufficient grounds to waive a qualification examination. The Exchange shall only consider waiver requests submitted by a Participant for individuals associated with the Participant who are seeking registration in a representative or principal registration category. Moreover, the Exchange shall consider waivers of the SIE alone or the SIE and the applicable representative and principal examination(s) for such individuals. The Exchange shall not consider a waiver of the SIE for individuals who are not associated persons or for associated persons who are not registering as representatives or principals.

.03 Requirements for Registered Persons Functioning as Principals for a Limited Period. Subject to the requirements of paragraph .02 under the Interpretations and Policies of Article 6, Rule 14, a Participant may designate any person currently

registered, or who becomes registered, with the Participant as a representative to function as a principal for a period of 120 calendar days prior to passing an appropriate principal qualification examination as specified under Article 6, Rule 14(a), provided that such person has at least 18 months of experience functioning as a registered representative within the five-year period immediately preceding the designation and has fulfilled all applicable prerequisite registration, fee and examination requirements prior to designation as a principal. However, in no event may such person function as a principal beyond the initial 120 calendar day period without having successfully passed an appropriate principal qualification examination. The requirements above apply to designations to any principal category, including those categories that are not subject to a prerequisite representative registration requirement.

Subject to the requirements of paragraph .02 of the Interpretations and Policies of Article 6, Rule 14, a Participant may designate any person currently registered, or who becomes registered, with the Participant as a principal to function in another principal category for a period of 120 calendar days prior to passing an appropriate qualification examination as specified under Article 6, Rule 14. However, in no event may such person function in such other principal category beyond the initial 120 calendar day period without having successfully passed an appropriate qualification examination as specified under Article 6, Rule 14.

.04 Rules of Conduct for Taking Examinations and Confidentiality of Examinations. Associated persons taking the SIE shall be subject to the SIE Rules of Conduct. Associated persons taking any representative or principal examination shall be subject to the Rules of Conduct for representative and principal examinations. A violation of the SIE Rules of Conduct or the Rules of Conduct for representative and principal examinations by an associated person shall be deemed to be a violation of Article 9, Rule 2. If the Exchange determines that an associated person has violated the SIE Rules of Conduct or the Rules of Conduct for representative and principal examinations, the associated person may forfeit the results of the examination and may be subject to disciplinary action by the Exchange. Individuals taking the SIE who are not associated persons shall agree to be subject to the SIE Rules of Conduct. If the Exchange determines that such individuals cheated on the SIE or that they misrepresented their qualifications to the public subsequent to passing the SIE, they may forfeit the results of the examination and may be prohibited from retaking the SIE. The Exchange considers all qualification examinations content to be highly confidential. The removal of examination content from an examination center, reproduction, disclosure, receipt from or passing to any person, or use for study purposes of any portion of such qualification examination or any other use that would compromise the effectiveness of the examinations and the use in any manner and at any time of the questions or answers to the examinations shall be prohibited and shall be deemed to be a violation of Article 9, Rule 2. An applicant cannot receive

assistance while taking the examination and shall certify that no assistance was given to or received by him or her during the examination.

.05 Waiting Periods for Retaking a Failed Examination. Any person who fails to pass a qualification examination prescribed by the Exchange shall be permitted to take that examination again after a period of 30 calendar days has elapsed from the date of such person's last attempt to pass that examination, except that any person who fails to pass an examination three or more times in succession within a two-year period shall be prohibited from again taking that examination until a period of 180 calendar days has elapsed from the date of such person's last attempt to pass that examination. The waiting periods for retaking a failed examination shall apply to the SIE and the representative and principal examinations specified under Article 6, Rule 14. Individuals taking the SIE who are not associated persons shall agree to be subject to the same waiting periods for retaking the SIE.

.06 All Registered Persons Must Satisfy the Regulatory Element of Continuing Education. All Registered Persons, including those individuals who solely maintain permissive registrations pursuant to paragraph .01 of the Interpretations and Policies of Article 6, Rule 13, shall satisfy the Regulatory Element of continuing education as specified in Article 6, Rule 11(a). If a person registered with a Participant has a continuing education deficiency with respect to that registration as provided under Article 6, Rule 11(a), such person shall not be permitted to be registered in another registration category under Article 6, Rule 14 with that Participant or to be registered in any registration category under Article 6, Rule 14 with another Participant, until the person has satisfied the deficiency.

.07 Lapse of Registration and Expiration of SIE. Any person who was last registered as a representative two or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass a representative qualification examination appropriate to his or her category of registration as specified in Article 6, Rule 14(b). Any person who last passed the SIE or who was last registered as a representative, whichever occurred last, four or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass the SIE in addition to a representative qualification examination appropriate to his or her category of registration as specified in Article 6, Rule 14(b). Any person who was last registered as a principal two or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a principal shall be required to pass a principal qualification examination appropriate to his or her category of registration as specified in Article 6, Rule 14(a). Any person whose registration has been revoked shall be required to pass a principal or representative qualification examination appropriate to his or her category of registration as specified in Article 6, Rule 14(a) or Article 6, Rule 14(b), respectively, to

be eligible for registration with the Exchange. For purposes of paragraph .07 of the Interpretations and Policies of this Rule, an application shall not be considered to have been received by the Exchange if that application does not result in a registration.

.08 Waiver of Examinations for Individuals Working for a Financial Services Industry Affiliate of a Participant. Upon request by a Participant, the Exchange shall waive the applicable qualification examination(s) for an individual designated with the Exchange as working for a financial services industry affiliate of a Participant if the following conditions are met:

(a) Prior to the individual's initial designation, the individual was registered as a representative or principal with the Exchange for a total of five years within the most recent 10 year period, including for the most recent year with the Participant that initially designated the individual;

(b) The waiver request is made within seven years of the individual's initial designation;

(c) The initial designation and any subsequent designation(s) were made concurrently with the filing of the individual's related Form U5;

(d) The individual continuously worked for the financial services industry affiliate(s) of a Participant since the individual's last Form U5 filing;

(e) The individual has complied with the Regulatory Element of continuing education as specified in Article 6, Rule 11(a); and

(f) The individual does not have any pending or adverse regulatory matters, or terminations, that are reportable on the Form U4, and has not otherwise been subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act while the individual was designated as eligible for a waiver.

As used in paragraph .08 of the Interpretations and Policies of this Rule, a "financial services industry affiliate of a Participant" is a legal entity that controls, is controlled by or is under common control with a Participant and is regulated by the SEC, CFTC, state securities authorities, federal or state banking authorities, state insurance authorities, or substantially equivalent foreign regulatory authorities.

.09 Status of Persons Serving in the Armed Forces of the United States. The following provisions address the status of current and former Registered Persons serving in active duty in the Armed Forces of the United States:

(a) Inactive Status of Currently Registered Persons

A Registered Person of a Participant who volunteers for or is called into active duty in the Armed Forces of the United States shall be placed, after proper notification to the

Exchange, on inactive status and need not be re-registered by such Participant upon his or her return to active employment with the Participant. Such person shall remain eligible to receive transaction-related compensation, including continuing commissions. The employing Participant also may allow such person to enter into an arrangement with another Registered Person of the Participant to take over and service the person's accounts and to share transaction-related compensation based upon the business generated by such accounts. However, because such persons are inactive, they may not perform any of the functions and responsibilities performed by a Registered Person.

A Registered Person who is placed on inactive status pursuant to this paragraph (a) shall not be required to complete either the Regulatory Element or Firm Element set forth in Article 6, Rule 11 during the pendency of such inactive status.

The relief provided in this paragraph (a) shall be available to a Registered Person who is placed on inactive status pursuant to this paragraph (a) during the period that such person remains registered with the Participant with which he or she was registered at the beginning of active duty in the Armed Forces of the United States, regardless of whether the person returns to active employment with another Participant upon completion of his or her active duty in the Armed Forces of the United States.

The relief described in this paragraph (a) shall be provided only to a person registered with a Participant and only while the person remains on active military duty. Further, the Participant with which such person is registered shall promptly notify the Exchange in such manner as the Exchange may specify of such person's return to active employment with the Participant.

(b) Inactive Status of Sole Proprietorships

A Participant that is a sole proprietor who temporarily closes his or her business by reason of volunteering for or being called into active duty in the Armed Forces of the United States, shall be placed, after proper notification to the Exchange, on inactive status while the Participant remains on active military duty.

A Participant that is a sole proprietor who is placed on inactive status as set forth in this paragraph (b) shall not be required to pay dues or assessments during the pendency of such inactive status and shall not be required to pay an admission fee upon return to active participation in the investment banking or securities business.

The relief described in this paragraph (b) shall be provided only to a Participant that is a sole proprietor and only while the person remains on active military duty. Further, the sole proprietor shall promptly notify the Exchange in such manner as the Exchange may specify of his or her return to active participation in the investment banking or securities business.

(c) Status of Formerly Registered Persons

If a person who was formerly registered with a Participant volunteers for or is called into active duty in the Armed Forces of the United States at any time within two years after the date the person ceased to be registered with a Participant, the Exchange shall defer the lapse of registration provisions of paragraph .07 of the Interpretations and Policies of Article 6, Rule 13 (i.e., toll the two-year expiration period for representative and principal qualification examinations) and the lapse of the SIE (i.e., toll the four-year expiration period for the SIE). The Exchange shall defer the lapse of registration requirements and the SIE commencing on the date the person begins actively serving in the Armed Forces of the United States, provided that the Exchange is properly notified of the person's period of active military service within 90 days following his or her completion of active service or upon his or her re-registration with a Participant, whichever occurs first. The deferral will terminate 90 days following the person's completion of active service in the Armed Forces of the United States. Accordingly, if such person does not re-register with a Participant within 90 days following his or her completion of active service in the Armed Forces of the United States, the amount of time in which the person must become re-registered with a Participant without being subject to a representative or principal qualification examination or the SIE shall consist of the standard two-year period for representative and principal qualification examinations or the standard four-year period for the SIE, whichever is applicable, as provided in paragraph .07 of the Interpretations and Policies of Article 6, Rule 13, reduced by the period of time between the person's termination of registration and beginning of active service in the Armed Forces of the United States.

If a person placed on inactive status while serving in the Armed Forces of the United States ceases to be registered with a Participant, the Exchange shall defer the lapse of registration requirements set forth in paragraph .07 of the Interpretations and Policies of Article 6, Rule 13 (i.e., toll the two-year expiration period for representative and principal qualification examinations) and the lapse of the SIE (i.e., toll the four-year expiration period for the SIE) during the pendency of his or her active service in the Armed Forces of the United States. The Exchange shall defer the lapse of registration requirements based on existing information in the CRD system, provided that the Exchange is properly notified of the person's period of active military service within two years following his or her completion of active service or upon his or her re-registration with a Participant, whichever occurs first. The deferral shall terminate 90 days following the person's completion of active service in the Armed Forces of the United States. Accordingly, if such person does not re-register with a Participant within 90 days following his or her completion of active service in the Armed Forces of the United States, the amount of time in which the person must become re-registered with a Participant without being subject to a representative or principal qualification examination or the SIE shall consist of the

standard two-year period for representative and principal qualification examinations or the standard four-year period for the SIE, whichever is applicable.

Rule 14. Registration Categories

(a) Definition of Principal and Principal Registration Categories

(1) Principal

A “principal” is any person associated with a Participant actively engaged in the management of the Participant's securities business, including supervision, solicitation, conduct of the Participant's business, or the training of persons associated with a Participant for any of these functions. Such persons include, among others, sole proprietors, officers, partners, and directors of corporations.

The term “actively engaged in the management of the Participant’s securities business” includes the management of, and the implementation of corporate policies related to, such business. The term also includes managerial decision-making authority with respect to the Participant’s securities business and management-level responsibilities for supervising any aspect of such business, such as serving as a voting member of the Participant’s executive, management or operations committee.

(2) General Securities Principal

(A) Requirement

Each principal as defined in paragraph (a)(1) of this Rule shall be required to register with the Exchange as a General Securities Principal, subject to the following exceptions:

(i) if a principal’s activities include the functions of a Compliance Officer, a Financial and Operations Principal (or an Introducing Broker-Dealer Financial and Operations Principal, as applicable), a Principal Financial Officer, a Principal Operations Officer, or a Securities Trader Principal as specified in paragraphs (a)(3) through (a)(5) of this Rule, then such person shall appropriately register in one or more of those categories; and

(ii) if a principal’s activities are limited solely to the functions of a General Securities Sales Supervisor as specified in paragraph (a)(6) of this Rule, then such person may appropriately register in that category in lieu of registering as a General Securities Principal.

(B) Qualifications

Subject to the lapse of registration provisions in paragraph .07 of the Interpretations and Policies of Article 6, Rule 13, each person registered with the Exchange as a General Securities Principal on October 1, 2018 and each person who was registered with the Exchange as a General Securities Principal within two years prior to October 1, 2018 shall be qualified to register as a General Securities Principal without passing any additional qualification examinations, provided that his or her supervisory responsibilities in the investment banking or securities business of a Participant are limited to corporate securities activities of the Participant.

All other individuals registering as General Securities Principals after October 1, 2018 shall, prior to or concurrent with such registration, become registered pursuant to paragraph (b)(2) of this Rule as a General Securities Representative and either (i) pass the General Securities Principal qualification examination or (ii) register as a General Securities Sales Supervisor and pass the General Securities Sales Supervisor qualification examination.

(3) Compliance Officer

(A) Requirement

Subject to the exception in paragraph (a)(3)(C) of this Rule, each person designated as a Chief Compliance Officer on Schedule A of Form BD shall be required to register with the Exchange as a Compliance Officer.

(B) Qualifications

Subject to the lapse of registration provisions in paragraph .07 of the Interpretations and Policies of Article 6, Rule 13, each person registered with the Exchange as a General Securities Representative and a General Securities Principal on October 1, 2018 and each person who was registered with the Exchange as a General Securities Representative and a General Securities Principal within two years prior to October 1, 2018 shall be qualified to register as a Compliance Officer without passing any additional qualification examinations. In addition, subject to the lapse of registration provisions in paragraph .07 of the Interpretations and Policies of Article 6, Rule 13, each person registered as a Compliance Official in the CRD system on October 1, 2018 and each person who was registered as a Compliance Official in the CRD system within two years prior to October 1, 2018 shall be qualified to register as a Compliance Officer without passing any additional qualification examinations.

All other individuals registering as Compliance Officers after October 1, 2018, shall, prior to or concurrent with such registration: (i) become registered

pursuant to paragraph (b)(2) of this Rule as a General Securities Representative and pass the General Securities Principal qualification examination; or (ii) pass the Compliance Official qualification examination.

(C) Exception

An individual designated as a Chief Compliance Officer on Schedule A of Form BD of a Participant that is engaged in limited investment banking or securities business may be registered in a principal category under Article 6, Rule 14(a) that corresponds to the limited scope of the Participant's business.

(4) Financial and Operations Principal and Introducing Broker-Dealer Financial and Operations Principal

(A) Requirement

Each Participant that is operating pursuant to the provisions of SEA Rules 15c3-1(a)(1)(ii), (a)(2)(i) or (a)(8), shall designate a Financial and Operations Principal. Each Participant subject to the requirements of SEA Rule 15c3-1, other than a Participant operating pursuant to SEA Rules 15c3-1(a)(1)(ii), (a)(2)(i) or (a)(8), shall designate either a Financial and Operations Principal or an Introducing Broker-Dealer Financial and Operations Principal.

A Financial and Operations Principal and an Introducing Broker-Dealer Financial and Operations Principal shall be responsible for performing the following duties:

(i) final approval and responsibility for the accuracy of financial reports submitted to any duly established securities industry regulatory body;

(ii) final preparation of such reports;

(iii) supervision of individuals who assist in the preparation of such reports;

(iv) supervision of and responsibility for individuals who are involved in the actual maintenance of the Participant's books and records from which such reports are derived;

(v) supervision and performance of the Participant's responsibilities under all financial responsibility rules promulgated pursuant to the provisions of the Exchange Act;

(vi) overall supervision of and responsibility for the individuals who are involved in the administration and maintenance of the Participant's back office operations; and

(vii) any other matter involving the financial and operational management of the Participant.

(B) Designation of Principal Financial Officer and Principal Operations Officer

Each Participant shall designate a:

(i) Principal Financial Officer with primary responsibility for financial filings and those books and records related to such filings; and

(ii) Principal Operations Officer with primary responsibility for the day-to-day operations of the Participant's business, including overseeing the receipt and delivery of securities and funds, safeguarding customer and Participant assets, calculation and collection of margin from customers and processing dividend receivables and payables and reorganization redemptions and those books and records related to such activities.

Each Participant that self-clears, or that clears for other Participants, shall be required to designate separate persons to function as Principal Financial Officer and Principal Operations Officer. Such persons may also carry out the other responsibilities of a Financial and Operations Principal and an Introducing Broker-Dealer Financial and Operations Principal as specified in paragraph (a)(4)(A) of this Rule. If such Participant is limited in size and resources, it may request a waiver of the requirement to designate separate persons to function as Principal Financial Officer and Principal Operations Officer.

Each Participant that is an introducing member may designate the same person to function as Financial and Operations Principal (or Introducing Broker-Dealer Financial and Operations Principal), Principal Financial Officer and Principal Operations Officer.

Each person designated as a Principal Financial Officer or Principal Operations Officer shall be required to register as a Financial and Operations Principal or an Introducing Broker-Dealer Financial and Operations Principal pursuant to paragraph (a)(4)(A) of this Rule.

(C) Qualifications

Each person seeking to register as a Financial and Operations Principal shall, prior to or concurrent with such registration, pass the Financial and Operations Principal qualification examination. Each person seeking to register as an Introducing Broker-Dealer Financial and Operations Principal shall, prior to or concurrent with such registration, pass the Financial and Operations Principal qualification examination or the Introducing Broker-Dealer Financial and Operations Principal qualification examination.

(5) Securities Trader Principal

(A) Requirement

Each principal as defined in paragraph (a)(1) of this Rule who is responsible for supervising the securities trading activities specified in paragraph (b)(3) of this Rule shall be required to register with the Exchange as a Securities Trader Principal.

(B) Qualifications

Each person seeking to register as a Securities Trader Principal shall, prior to or concurrent with such registration, become registered pursuant to paragraph (b)(3) of this Rule as a Securities Trader and pass the General Securities Principal qualification examination.

(6) General Securities Sales Supervisor

(A) Requirement

Each principal as defined in paragraph (a)(1) of this Rule may register with the Exchange as a General Securities Sales Supervisor if his or her supervisory responsibilities in the investment banking or securities business of a Participant are limited to the securities sales activities of the Participant, including the approval of customer accounts, training of sales and sales supervisory personnel and the maintenance of records of original entry or ledger accounts of the Participant required to be maintained in branch offices by Exchange Act record-keeping rules.

A person registered solely as a General Securities Sales Supervisor shall not be qualified to perform any of the following activities:

- (i) supervision of the origination and structuring of underwritings;
- (ii) supervision of market making commitments;

(iii) supervision of the custody of broker-dealer or customer funds or securities for purposes of SEA Rule 15c3-3; or

(iv) supervision of overall compliance with financial responsibility rules for broker-dealers promulgated pursuant to the provisions of the Exchange Act.

(B) Qualifications

Each person seeking to register as a General Securities Sales Supervisor shall, prior to or concurrent with such registration become registered pursuant to paragraph (b)(2) of this Rule as a General Securities Representative and pass the General Securities Sales Supervisor qualification examinations.

(b) Definition of Representative and Representative Registration Categories

(1) Representative

A “representative” is any person associated with a Participant, including assistant officers other than principals, who is engaged in the Participant’s investment banking or securities business, such as supervision, solicitation, conduct of business in securities or the training of persons associated with a Participant for any of these functions.

(2) General Securities Representative

(A) Requirement

Each representative as defined in paragraph (b)(1) of this Rule shall be required to register with the Exchange as a General Securities Representative, subject to the following exception: (i) if a representative’s activities include the functions of a Securities Trader, as specified in paragraph (b)(3) of this Rule, then such person shall appropriately register in that category.

(B) Qualifications

Subject to the lapse of registration provisions in paragraph .07 of the Interpretations and Policies of Article 6, Rule 13, each person registered with the Exchange as a General Securities Representative on October 1, 2018 and each person who was registered with the Exchange as a General Securities Representative within two years prior to October 1, 2018 shall be qualified to register as a General Securities Representative without passing any additional qualification examinations. All other individuals registering as General Securities Representatives after October 1, 2018 shall, prior to or concurrent with such registration, pass the SIE and the General Securities Representative qualification examination.

(3) Securities Trader**(A) Requirement**

Each representative as defined in paragraph (b)(1) of this Rule shall be required to register with the Exchange as a Securities Trader if, with respect to transactions in equity, preferred or convertible debt securities, or options such person is engaged in proprietary trading, the execution of transactions on an agency basis, or the direct supervision of such activities other than a person associated with a Participant whose trading activities are conducted primarily on behalf of an investment company that is registered with the SEC pursuant to the Investment Company Act and that controls, is controlled by, or is under common control with a Participant.

In addition, each person associated with a Participant who is: (i) primarily responsible for the design, development or significant modification of an algorithmic trading strategy relating to equity, preferred or convertible debt securities; or (ii) responsible for the day-to-day supervision or direction of such activities shall be required to register with the Exchange as a Securities Trader.

For purposes of paragraph (b)(3) of this Rule, an “algorithmic trading strategy” is an automated system that generates or routes orders (or order-related messages) but shall not include an automated system that solely routes orders received in their entirety to a market center.

(B) Qualifications

Subject to the lapse of registration provisions under paragraph .07 of the Interpretations and Policies of Article 6, Rule 13, each person registered with the Exchange as a Securities Trader on October 1, 2018 and each person who was registered with the Exchange as a Securities Trader within two years prior to October 1, 2018 shall be qualified to register as a Securities Trader without passing any additional qualification examinations. All other individuals registering as Securities Traders after October 1, 2018 shall, prior to or concurrent with such registration, pass the SIE and the Securities Trader qualification examination.

• • • Interpretations and Policies:

.01 Foreign Registrations. Persons who are in good standing as a representative with the Financial Conduct Authority in the United Kingdom or with a Canadian stock exchange or securities regulator shall be exempt from the requirement to pass the SIE. Subject to the lapse of registration provisions under paragraph .07 of the Interpretations

and Policies of Article 6, Rule 13, each person who is registered with the Exchange as a United Kingdom Securities Representative or a Canada Securities Representative on October 1, 2018 and each person who was registered with the Exchange in such categories within two years prior to October 1, 2018 shall be eligible to maintain such registrations with the Exchange. However, if persons registered in such categories subsequently terminate such registration(s) with the Exchange and the registration remains terminated for two or more years, they shall not be eligible to re-register in such categories.

.02 Additional Qualification Requirements for Persons Engaged in Security Futures Activities. Each person who is registered with the Exchange as a General Securities Representative, United Kingdom Securities Representative, Canada Securities Representative, or General Securities Sales Supervisor shall be eligible to engage in security futures activities as a representative or principal, as applicable, provided that such individual completes a Firm Element program as set forth in Article 6, Rule 11(b) that addresses security futures products before such person engages in security futures activities.

.03 Scope of General Securities Sales Supervisor Registration Category. The General Securities Sales Supervisor category is an alternate category of registration designed to lessen the qualification burdens on principals of general securities firms who supervise sales. Without this category of limited registration, such principals would be required to separately qualify pursuant to the rules of FINRA, the MSRB, the NYSE and the options exchanges. While persons may continue to separately qualify with all relevant self-regulatory organizations, the General Securities Sales Supervisor examinations permit qualification as a supervisor of sales of all securities through one registration category. Persons registered as General Securities Sales Supervisors may also qualify in any other category of principal registration. Persons who are already qualified in one or more categories of principal registration may supervise sales activities of all securities by also qualifying as General Securities Sales Supervisors.

Any person required to be registered as a principal who supervises sales activities in corporate, municipal and option securities, investment company products, variable contracts, and security futures (subject to the requirements of paragraph .02 of the Interpretations and Policies of this Rule) may be registered solely as a General Securities Sales Supervisor. In addition to branch office managers, other persons such as regional and national sales managers may also be registered solely as General Securities Sales Supervisors as long as they supervise only sales activities.

Rule 15. Associated Persons Exempt from Registration

Persons associated with a Participant whose functions are solely and exclusively clerical or ministerial are not required to be registered with the Exchange.

• • • Interpretations and Policies:

.01 Registration Requirements for Associated Persons Who Accept Customer

Orders. The function of accepting customer orders is not considered a clerical or ministerial function. Each person associated with a Participant who accepts customer orders under any circumstances shall be registered in an appropriate registration category pursuant to Article 6, Rule 14. An associated person shall not be considered to be accepting a customer order where occasionally, when an appropriately Registered Person is unavailable, such person transcribes order details submitted by a customer and the Registered Person contacts the customer to confirm the order details before entering the order.

ARTICLE 16. Market Makers

Rule 3. Obligations of Market Maker Authorized Traders (“MMATs”)

(a) Unchanged

(b) *Registration of MMATs.* The Exchange may, upon receiving an application in writing from a Market Maker on a form prescribed by the Exchange, register a person as an MMAT, consistent with the following minimum requirements:

(1) Unchanged

(2) To be eligible for registration as a MMAT, a person must successfully complete the [Series 57]Securities Trader Examination, the Securities Industry Essentials qualification examination and complete any other training and/or certification programs as may be required by the Exchange.
