

Proposed additions underlined  
 Proposed deletions [bracketed]

## **RULES OF NYSE CHICAGO[ THE CHICAGO STOCK EXCHANGE], INC.**

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### **ARTICLE 1. Definitions and General Information**

#### **Rule 1. Definitions**

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- (f) "Board" means the Board of Directors of NYSE Chicago[ Stock Exchange], Inc.
- (g) "NYSE Chicago[CHX]" means NYSE Chicago[the Chicago Stock Exchange], Inc. See "Exchange" definition, below.
- (h) "NYSE Chicago[CHX] Holdings" means NYSE Chicago[CHX] Holdings, Inc., of which NYSE Chicago[CHX] is a wholly-owned subsidiary.

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- (k) "Exchange" means NYSE Chicago[the Chicago Stock Exchange], Inc., a Delaware corporation as described in its Certificate of Incorporation and Bylaws, and a national securities exchange as that term is defined by Section 6 of the Exchange Act. [The Exchange may also be referred to in these Rules as the "CHX."]

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- (z) "Trading Facilities" means all of the Exchange's facilities for the trading of equity securities, including any and all electronic or automated order routing, execution and reporting systems provided by the Exchange, such as the Matching System.

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- (ll) "Trading Account": means an account under a Trading Permit, identified by a unique Exchange[CHX] account symbol, from which orders are sent to the Exchange's Trading Facilities. A Participant Trading Permit holder may establish more than one Trading Account per Trading Permit.

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(pp) “Working Price”: means the most aggressive price at which a resting limit order, as defined under Article 1, Rule 2(a)(1), can execute within the Matching System, in compliance with the [CHX] Rules and relevant securities laws and regulations, including Rule 611 of Regulation NMS and Rule 201 of Regulation SHO.

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(rr) “SNAP Price”: means a single price at which the greatest number of shares may be executed during a SNAP Cycle, as described under Article 18, Rule 1(b), without trading-through any more aggressively priced orders on either side of the market, in compliance with all [CHX] Rules and relevant securities laws and regulations, including Regulation NMS and Rule 201 of Regulation SHO, and any applicable exemptive relief therefrom; provided the following:

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## **Rule 2. Order Types, Modifiers, and Related Terms**

Unless otherwise specifically defined elsewhere in the [CHX] Rules, the following terms shall have the respective meanings ascribed to them, for purposes of all [CHX] Rules. Order modifiers listed under Article 18, Rule 1(b)(2)(D) shall not be active for a security that is subject to a SNAP Cycle, as described under Article 18, Rule 1.

(a) *General Order Types.* The following general order types shall be accepted by the Matching System, subject to the requirements of Article 20, Rule 4.

(1) Unchanged

(2) "Cross order": an order to buy and sell the same security at a specific price. A cross order may only execute within the Matching System if it is priced better than the Working Price, as defined under Article 1, Rule 1(pp), of all resting orders on the [CHX B]book. A cross order may represent interest of one or more Participants of the Exchange, but may only be executed in an increment permitted by Article 20, Rule 4(a)(7)(b). A cross order may be subject to special handling, pursuant to paragraph (g) below.

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(b) *Order Execution Modifiers.* One or more order execution modifiers may be applied to a general order type, subject to the requirements of Article 20, Rule 4, so long

as the modifier is compatible with the general order type and other applicable order modifiers/terms.

(1) *Limit Orders Only*. The following order execution modifiers may be attributed to limit orders only.

(A) – (B) Unchanged

(C) “Exchange[CHX] Only”: a limit order modifier that requires an order to be ranked and executed on the Exchange pursuant to Article 20, Rule 8, without routing away to another Trading Center and is eligible for the Exchange[CHX] Only Price Sliding Processes, detailed below. An order sender may not opt out of the Exchange[CHX] Only Price Sliding Processes if the order is marked Exchange[CHX] Only. An order sender can enter instructions to have all limit orders default to Exchange[CHX] Only.

A limit order marked Exchange[CHX] Only shall be deemed to have been received “Do Not Route,” as defined under paragraph (b)(3)(A), which cannot be overridden by the order sender.

The Exchange[CHX] Only Price Sliding Processes utilized by the Matching System include both Regulation NMS Price Sliding (“NMS Price Sliding”) and Short Sale Price Sliding. All Exchange[CHX] Only orders that are eligible for the Exchange[CHX] Only Price Sliding Processes may be subject to either NMS Price Sliding or Short Sale Price Sliding.

Exchange[CHX] Only orders shall also be eligible for Limit Up-Limit Down Price Sliding (“LULD Price Sliding”), pursuant to Article 20, Rule 2A(b)(2).

(i) *NMS Price Sliding*.

(a) Initial NMS Price Sliding. An Exchange[CHX] Only order that, at the time of entry, would lock or cross a Protected Quotation of an external market in violation of Rule 610(d) of Regulation NMS; is priced at or through a contra-side Protected Quotation of an external market and is for an Odd Lot; or is priced through a contra-side Protected Quotation of an external

market and is marked Do Not Display, as defined under Article 1, Rule 2(c)(2), will be executable at the locking price in the Matching System and, if not marked Do Not Display, will be displayed or displayable by the Matching System at one minimum price variation below the current “National Best Offer” (“NBO”) (for bids) or at one minimum price variation above the current “National Best Bid” (“NBB”) (for offers) (“Permitted Display Price”). Exchange[CHX] Only orders subject to NMS Price Sliding will retain their original limit prices irrespective of the prices at which such orders are executable or displayed.

If the NBB (NBO) is priced below (above) the Lower (Upper) Price Band, an incoming Exchange[CHX] Only sell (buy) order that, at the time of entry, is priced below (above) the Lower (Upper) Price Band, shall be executable and, if not marked Do Not Display, displayed or displayable at the Lower (Upper) Price Band, pursuant to Article 20, Rule 2A(b)(2)(A)(i).

(b) Multiple NMS Price Sliding. Following the initial ranking and display of an order subject to NMS Price Sliding, the order will be continuously price slid until the order is executed, cancelled or its original limit price is reached. A Exchange[CHX] Only order subject to NMS Price Sliding will only be price slid to the extent it achieves a more aggressive price, based upon changes to the prevailing National Best Bid and Offer (“NBBO”); provided however that an order may be price slid to a less aggressive price, subject to subparagraphs (3) to (6) below.

(1) In the event the NBBO changes such that an Exchange[CHX] Only order subject to NMS Price Sliding could be executable at a higher trading increment (for buy orders) or lower trading increment (for sell orders), without crossing a Protected Quotation of an external market, the order will be executable at the current locking price.

If, however, the NBB (NBO) moves to a price below (above) the Lower (Upper) Price Band, the executable price of the Exchange[CHX] Only sell (buy) order shall be price slid to the Lower (Upper) Price Band, pursuant to Article 20, Rule 2A(b)(2)(A)(ii).

(2) *Re-display.* In the event that the NBBO changes such that an Exchange[CHX] Only order subject to NMS Price Sliding could be re-displayed or re-displayable at a higher trading increment (for buy orders) or lower trading increment (for sell orders), without locking or crossing a Protected Quotation of an external market, the order will be re-displayed at the current Permitted Display Price.

If, however, the NBB (NBO) moves to a price below (above) the Lower (Upper) Price Band, the resting Exchange[CHX] Only order shall be re-displayed at the Lower (Upper) Price Band, pursuant to Article 20, Rule 2A(b)(2)(A)(ii).

(3) – (4) Unchanged

(5) *Exchange[CHX] Only orders marked Do Not Display.* In the event that a Protected Offer (Bid) of an external market crosses a resting Exchange[CHX] Only bid (offer) marked Do Not Display, the resting bid (offer) marked Do Not Display shall be price slid to lock the Protected Offer (Bid) of the external market.

(6) *Exchange[CHX] Only orders marked Reserve Size.* A resting Exchange[CHX] Only order marked Reserve Size shall be price slid to a less aggressive price if a refreshed display of the order would lock or cross a Protected Quotation of an external market and shall receive execution priority pursuant to Article 20, Rule 8(b)(4).

(ii) *Short Sale Price Sliding.* A limit order marked Sell Short, as defined under Article 1, Rule 2(b)(3)(D), must comply with the requirements of Article 20, Rule 8(d)(4). If the Sell Short order is marked Exchange[CHX] Only, the order shall be price slid as follows:

(a) *Initial Short Sale Price Sliding.* An Exchange[CHX] Only Sell Short order that, at the time of entry, could not be executed or displayed in compliance with Rule 201 of Regulation SHO will be repriced (and displayed, if applicable) by

the Matching System at one minimum price variation above the current NBB (“Permitted Price”). Exchange[CHX] Only orders subject to Short Sale Price Sliding will retain their original limit prices, notwithstanding price sliding.

If the Permitted Price is priced below the Lower Price Band, an incoming Exchange[CHX] Only Sell Short order that, at the time of entry, is priced below the Lower Price Band, shall be repriced (and displayed, if applicable) at the Lower Price Band, pursuant to Article 20, Rule 2A(b)(2)(A)(i).

(b) *Multiple Short Sale Price Sliding.* To reflect declines in the NBB, the Matching System will continue to reprice (and re-display, if applicable) an Exchange[CHX] Only Sell Short order to the greater of the Permitted Price or the Lower Price Band, until the order is executed, cancelled or its original limit price is reached, pursuant to Article 20, Rule 2A(b)(2)(A)(ii).

To reflect increases in the NBB, the Matching System will continue to reprice an undisplayed Exchange[CHX] Only Sell Short order to the greater of the Permitted Price or the Lower Price Band, until the order is executed, cancelled or its original limit price is reached, pursuant to Article 20, Rule 2A(b)(2)(A)(ii).

(c) *Priority over NMS Price Sliding.* When a short sale price test restriction under Rule 201 of Regulation SHO is in effect for a particular security, Short Sale Price Sliding will take priority over NMS Price Sliding, with respect to Exchange[CHX] Only sell short orders in that security that are subject to Short Sale Price Sliding.

(d) *Exemptions.*

(1) As detailed under Article 20, Rule 8(d)(4), when a short sale price test restriction under Rule 201 of Regulation SHO is in effect, the Matching System may execute an Exchange[CHX] Only Sell Short order at a price below the Permitted Price if, at the time of initial display of the Exchange[CHX] Only Sell Short order, the order was at a price above the then current NBB. Notwithstanding this exemption, an Exchange[CHX] Only Sell Short order may

never execute (or be displayed, if applicable) at a price below the Lower Price Band.

(2) Exchange[CHX] Only orders marked Short Exempt shall not be subject to Short Sale Price Sliding.

(iii) *Lock-Only Price Sliding.* An order sender may enter an instruction to only use the Exchange[CHX] Only Price Sliding Processes if the display of the Exchange[CHX] Only order at the time of order entry would lock the NBBO. If such an instruction is given and the display of an order would cross the NBBO at the time of entry, the order will be rejected from the Matching System.

(iv) *Original Time Priority Retained.* Exchange[CHX] Only orders subject to the Price Sliding Processes will retain their time priority versus other orders based upon the time those orders were initially received by the Matching System; provided, however, that the displayed portion of a Reserve Size Exchange[CHX] Only order that is refreshed shall have time priority based on the time the displayed order was refreshed.

(D) “Post Only”: a limit order modifier that requires an order to be posted on the Exchange and not routed away to another trading center.

A limit order marked Post Only shall be deemed to have been received “Do Not Route,” as defined under paragraph (b)(3)(A), which cannot be overridden by the order sender.

A Post Only order will be immediately cancelled under the following circumstances:

(i) The Post Only order would remove liquidity from the [CHX ]book; or

(ii) At the time of order entry, the Post Only order would lock or cross a Protected Quotation of an external market; provided, however, that if the Post Only order is marked “Exchange[CHX] Only” and is eligible for the Exchange[CHX]Only Price Sliding Processes, pursuant to Article 1, Rule 2(b)(1)(C), the Post Only order that would lock or cross a Protected Quotation of an external market shall be subject to the Exchange[CHX]Only Price Sliding Processes or Limit Up-Limit Down

Price Sliding, pursuant to Article 20, Rule 2A(b), whichever is applicable, and shall not be immediately cancelled.

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(c) *Order Display Modifiers.* One or more order display modifiers may be applied to a limit orders, subject to the requirements of Article 20, Rule 4, so long as the modifier is compatible with the general order type and other applicable order modifiers/terms.

(1) "Always Quote": an order modifier which will cause the [CHX ]Matching System to cancel the unexecuted balance of an otherwise displayable order, where:

(A) The unexecuted balance is an odd lot, pursuant to paragraph (f)(2) and priced at the Exchange[CHX] best bid or best offer; and

(B) The order cannot be displayed as part of an aggregated quote because there are no other orders on the [CHX ]book with which such an order can be aggregated, pursuant to Article 20, Rule 8(d)(3).

(2) "Do Not Display": a modifier, for orders of at least 1,000 shares when entered, that requires the order not be displayed in whole.

All limit orders marked Do Not Display resting on the [CHX ]book shall be handled as Exchange[CHX] Only, as defined under Article 1, Rule 2(b)(1)(C), even if such orders were not originally marked Exchange[CHX] Only, which cannot be overridden by an order sender.

(3) "Reserve Size": a modifier that identifies a portion of the order that should be displayed and a portion of the order that should not be displayed, along with an instruction that the displayed portion should be refreshed to the original display quantity (or the remaining number of shares, if less) whenever the displayed share size falls below a specified threshold. Refreshed displayed portions of Reserve Size orders shall be ranked in the [CHX ]book pursuant to Article 20, Rule 8(b)(4).

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(g) *Special Order Handling.* An order may be subject to special handling under the following circumstances:



(1) "Cross With Size": a cross order (except any cross order subject to Non-Regular Way Settlement) to buy and sell at least 5,000 shares of the same security with a total value of at least \$100,000 will execute, notwithstanding resting orders in the [CHX B]book at the same price, where:

(A) there are no resting orders on the [CHX B]book with a Working Price, as defined under Article 1, Rule 1(pp), better than the cross order; and

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(h) *Order modifiers related to SNAP.* One or more order modifiers related to SNAP, as described under Article 18, Rule 1, may be applied to limit orders only, subject to the requirements of Article 20, Rule 4, so long as the modifier is compatible with other applicable order modifiers/terms.

(1) "Start SNAP": a limit order modifier that -1- initiates a SNAP Cycle in a specified security, as described under Article 18, Rule 1(b), if the limit order marked Start SNAP meets the requirements of subparagraph (A) or, -2- joins a SNAP Cycle in progress, if it does not meet the requirements of subparagraph (A), but meets the requirements of proposed subparagraph (C). A limit order marked Start SNAP is not executable during the Open Trading State, as defined under Article 1, Rule 1(qq). A limit order marked Start SNAP that does not meet the requirements of either subparagraph (A) or (C) shall be cancelled.

(A) *Requirements to initiate a SNAP Cycle.* A limit order marked Start SNAP shall only initiate a SNAP Cycle if the following conditions are met. If any one of the following conditions are not met, the limit order marked Start SNAP will be cancelled, unless it meets the requirements of subparagraph (C).

(i) – (iii) Unchanged

(iv) *Routing unavailable.* A limit order marked Start SNAP will not initiate a SNAP if the [CHX ]Routing Services, as described under Article 19, are not available at the time the order is received by the Matching System.

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(3) "SNAP Auction Only Orders" or "SNAP AOOs": a limit order marked by, or handled as, one of the modifiers below, that is only executable during a SNAP Cycle, as described under Article 18, Rule 1(b). SNAP AOOs shall only be accepted from the beginning of the early session to five minutes prior to the end

of the regular trading session. Upon receipt by the Exchange, all valid SNAP AOOs shall either be queued or immediately ranked on the SNAP [CHX ]book, as described under Article 20, Rule 8(b)(2)(A).

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## **ARTICLE 2. Committees**

### **Rule 1. Appointment and Approval**

The committees provided for in this Article shall be appointed as provided in the Exchange's bylaws or as set out in this Article. [Except as otherwise required by rules in this Article, the Vice Chairman of the Board shall designate the chairman and one or more vice chairmen of each such committee. A temporary member of any such committee may be appointed, using the same process required for regular appointments to the committee, during the absence or inability to act of a regular member; such temporary appointee shall have all the rights, power, authority, duties and obligations of the regular committeeman until the latter is again present and able to act.

### **Rule 2. [Executive Committee**

There shall be an Executive Committee, which shall have not less than two members, all of whom shall be directors, plus the Chairman of the Board. A majority of the committee members (including the Chairman if the Chairman is a Public Director) shall be Public Directors. The Chairman of the Board shall be the Chairman of the Executive Committee.

The Executive Committee shall have such powers as may be delegated to it by the Board of Directors, and between meetings of the Board of Directors, it shall have, and may exercise, all the rights, powers, authority, duties and obligations of the Board of Directors not otherwise delegated to another committee or an officer or officers of the Exchange by the bylaws, rules or by the Board of Directors, except the authority to propose amendments to the certificate of incorporation, to adopt an agreement of merger or consolidation, to recommend to stockholders the sale, lease or exchange of all or substantially all of the property and assets of the Exchange or to recommend to the stockholders a dissolution of the Exchange or the revocation of a dissolution.

### **Rule 3. Finance Committee**

There shall be a Finance Committee which shall have not less than two members, in addition to the Chairman of the Board, all of whom shall be Directors. The Committee shall review all annual Profit Plans and Budgets for the Exchange and its subsidiaries

prior to submission to the Board and make such recommendations to the Board with respect thereto as it may deem appropriate. It shall review from time to time the financial condition of the Exchange and its subsidiaries, and make such recommendations to the management or to the Board with respect thereto as it may deem appropriate. It shall formulate an investment policy and submit same to the Board for approval, and shall review the performance of all Exchange investments on a quarterly basis.

#### **Rule 4. Regulatory Oversight Committee**

There shall be a Regulatory Oversight Committee which shall consist of at least three Public Directors. Up to two STP Participant Directors may be appointed to serve as non-voting advisors to the Committee. The Chairman of the Board, if he is not also serving as the Chief Executive Officer, may be one of the Public Directors on the committee. The committee and any advisors shall be appointed by the Vice Chairman and approved by the Public Directors on the Exchange's Board of Directors. The committee shall select its chairman from among the Public Directors on the committee.

The Regulatory Oversight Committee shall assist the Board in monitoring the design, implementation and effectiveness of the Exchange's programs to promote and enforce compliance with the federal securities laws, SEC rules and CHX rules. The committee shall have the powers and responsibilities set out in a written charter and approved by the Board from time to time.

#### **Rule 5. ]Committee on Exchange Procedure**

There shall be a Committee on Exchange Procedure which shall have not less than seven members who shall be Participants. The chairman shall be a member of the Executive Committee. It shall have general supervision of the conduct and dealings on the Exchange and shall have the power to enforce the Exchange's rules and regulations by recommending staff investigations for violations thereof, in accordance with the procedure provided in Article 12.

Notwithstanding the foregoing[ and Rule 10 of this Article], and except as otherwise provided under Article 14, Rule 1, the Committee if it so determines may act through a subcommittee to perform any of its duties pursuant to the Rules of the Exchange or otherwise. A subcommittee shall be composed of not less than three (3) Participants of the Exchange appointed by the Chairman of the Committee, a majority of whom shall constitute a quorum. The Chairman of each subcommittee shall be a member of the full Exchange Procedure Committee. Except as provided in Article 20, Rule 10(d), any Participant adversely affected by a determination of a subcommittee regarding any matter may appeal to the full Committee within five days of receiving notice of its determination by making a written request therefore specifically stating the action complained of, the

specific reasons why exception is taken thereto, and the relief sought. Any determination made by a subcommittee which is not specifically appealed as set forth herein shall be final. The determination of the Exchange Procedure Committee on appeal shall be final. Except as provided in Article 20, Rule 10(e), any action appealed shall be stayed until the appeal is decided.

**[Rule 6. Reserved]**

**Rule [7]3. Judiciary Committee**

Whenever, in accordance with the Rules, a disciplinary matter is to be reviewed by a Judiciary Committee, the Chief Executive Officer shall appoint five disinterested Participants of the Exchange and/or general partners or officers of Participant Firms as a Judiciary Committee, for that purpose. A new Judiciary Committee shall be appointed to consider and determine each such matter. If a vacancy shall occur on a Judiciary Committee after it has begun its proceedings, the remaining members appointed by the Chief Executive Officer shall complete consideration and disposition of the matter. Once a Judiciary Committee has determined the matter for which it was appointed and has notified the Secretary in writing of its decision, it shall be dissolved automatically.

**[Rule 8. Compensation Committee**

There shall be a Compensation Committee which shall consist of the Chairman of the Board and not less than two other Directors. A majority of the committee members shall be Public Directors. The Compensation Committee shall have the responsibility of establishing, without the Chairman's participation or vote when the Chairman also is acting as Chief Executive Officer, the compensation of the Chief Executive Officer and of coordinating with the Chief Executive Officer to determine the compensation of other Exchange officers, as well as a comprehensive corporate compensation and benefits policy for Exchange staff. The comprehensive corporate policy shall include the structure and the administration of the determined compensation policy, the advisability and use of outside consultants, and a periodic review of the manner in which the determined policy is being administered.

**Rule 9. Audit Committee**

There shall be an Audit Committee which shall have not less than three members, all of whom shall be Directors. The Chairman of the Board shall be one of the committee members when he is not also acting as the Chief Executive Officer. A majority of the committee members shall be Public Directors. The Chairman of the Committee shall be a Public Director.

The Committee shall assist the Board of Directors in monitoring the integrity of the Exchange's financial statements, the Exchange's systems of internal controls and the qualifications, independence and performance of the Exchange's internal auditor and independent public accountant. In addition, to the extent not performed by the Regulatory Oversight Committee, the Committee shall assist the Board in monitoring the Exchange's compliance with legal and regulatory requirements that may have a material impact on the financial statements. The Committee shall have the direct responsibility and authority to engage and oversee the work of the independent public accountant retained to audit the Exchange's financial statements and shall have all other responsibilities that are given to it by the Board of Directors from time to time. The Committee's powers and responsibilities shall be set out in a written charter and approved by the Board from time to time.

#### **Rule 10. Participant Advisory Committee**

There shall be a Participant Advisory Committee, which shall have not less than five members, all of whom shall be Participants. The Committee shall have the responsibility to recommend for adoption by the Board of Directors rules or regulations as may be necessary for the convenient and orderly transaction of business on the Exchange. It shall also advise Exchange management regarding enhancements to the facilities and other issues affecting Participants.

#### **Rule 11. Nominating and Governance Committee**

There shall be a Nominating Committee which shall have the composition and responsibilities set out in the Exchange's Bylaws.]

#### **Rule [12]4. Committee Quorum**

One-half of its members, including the ex-officio ones, shall constitute a quorum of each committee provided for in this Article[, except for the Executive Committee, the Compensation Committee, the Regulatory Oversight Committee and the Audit Committee. For the Executive Committee, the Compensation Committee, the Regulatory Oversight Committee and the Audit Committee, a quorum for the transaction of business shall consist of one-half of the committee members, including not less than 50 percent of the Public Directors serving as members of such committees. If at least 50 percent of the Public Director committee members are (a) present at or (b) have filed a waiver of attendance for a meeting after receiving an agenda prior to such meeting, the requirement that not less than 50 percent of the Public Director committee members be present to constitute the quorum shall be deemed satisfied].

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**ARTICLE 3. Participants and Participant Firms**

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**Rule 18. Suits Against Officers, Directors and Staff**

No Participant shall institute a lawsuit or any other type of legal proceeding against any officer, director, committee member, employee or agent of the Exchange or any of its subsidiaries or any other Exchange official, for actions taken or omitted to be taken in connection with the official business of the Exchange or any affiliate, including without limitation NYSE Chicago[CHX] Holdings, Inc., except to the extent such actions or omissions constitute violations of the federal securities laws for which a private right of action exists and except, with respect to Directors of the Exchange, to the extent such limitation is prohibited by Delaware law and the Exchange's Certificate of Incorporation.

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**Rule 20. No Affiliation between Exchange and any Participant**

The Exchange or any entity with which it is affiliated shall not, directly or indirectly, acquire or maintain an ownership interest in a Participant in the absence of an effective filing under Section 19(b) of the Act. In addition, a Participant shall not be or become an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange, in the absence of an effective filing under Section 19(b) of the Act. The term “affiliate” shall have the meaning specified in Rule 12b-2 under the Act. Nothing in this Rule 20 shall prohibit a Participant or its affiliate from acquiring or holding an equity interest in NYSE Chicago[CHX] Holdings, Inc. that is permitted by the ownership and voting limitation contained in the Certificate of Incorporation of NYSE Chicago[CHX] Holdings, Inc. In addition, nothing in this Rule 20 shall prohibit a Participant from being or becoming an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange, solely by reason of such Participant or any officer, director, manager, managing member, partner or affiliate of such Participant being or becoming either (a) a Director (as such term is defined in the Bylaws of the Exchange) pursuant to the Bylaws of the Exchange, or (b) a Director serving on the Board of Directors of NYSE Chicago[CHX] Holdings, Inc.

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**ARTICLE 4. Exchange Systems and Services****Rule 1. Book Feed**

(a) The [CHX ]Book Feed allows a subscriber to view all individual [CHX p]Participant orders displayed in the Matching System, including the size and price associated with

such order and the trade data for executions that occur within the Matching System, subject to Article 18, Rule 1(b). The Exchange will provide the [CHX ]Book Feed only to a recipient which has entered into a Book Feed Subscriber agreement with the Exchange and in a form acceptable to the Exchange.

(b) The fees and charges for a subscription to the [CHX ]Book Feed are set forth in the Exchange’s published Schedule of Fees and Assessments.

## **Rule 2. [CHX ]Connect**

(a) [CHX ]Connect is an electronic communications service owned and operated by the Exchange which allows Participants to transmit orders and related transaction information in any approved security directly to any destination (such as an over-the-counter market maker or order-routing vendor) connected to the service without being submitted to the Exchange’s trading facilities. As an alternative to private order routing systems or vendors, Participants may also elect to use [CHX ]Connect to transmit orders to the [Exchange’s ]Matching System and to its Institutional Brokers. Participants may designate where an order is to be directed on a security-by-security, or order-by-order basis. Instructions received on an order-by-order basis shall supersede previously-received instructions on a security-by-security basis. Use of the [CHX ]Connect service is subject to the approval of the Exchange.

(b) The fees and charges for a subscription to the [CHX ]Connect service are set forth in the Exchange’s published Schedule of Fees and Assessments.

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## **ARTICLE 5. Access To The Exchange**

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### **Rule 3. Sponsored Persons**

(a) A may provide Sponsored Access to the Exchange for a Sponsored Person, through a clearing arrangement or otherwise, only if the Sponsoring Participant, the Sponsored Person and the Exchange (as appropriate) enter into one or more written agreements (“Sponsored Access Agreements”), in a form acceptable to the Exchange, prior to any access to the Exchange, that contain all of the following terms:

(1) – (10) Unchanged

(11) The Sponsored Person shall establish, maintain and enforce written supervisory procedures and a supervisory system that is reasonably designed to ensure that the use or access to the Exchange that takes place pursuant to a Sponsored Access Agreement and by any Sponsored Person or authorized individual complies with the terms of the Sponsored Access Agreement and all applicable Exchange[CHX] and SEC rules and regulations.

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**ARTICLE 7. Financial Responsibility and Reporting Requirements**

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**Rule 4. Financial and Operational Reports**

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• • • *Interpretations and Policies:*

.01 A suggested guide for the agreement with the independent public accountant required by paragraph (b)(2) of this Rule 4 is reproduced below. Other provisions, not inconsistent with the provisions of this suggested guide, may also be included at the discretion of the individual Participant organization and its independent public accountant.

....., 20...

DATE

TO: (NAME OF MEMBER OF PARTICIPANT)

Gentlemen:

We (I) hereby agree:

(a) to conduct an audit of your financial statements for the period ended ....., 20..., the end of your (calendar) (fiscal) \* year and each year thereafter \*\* in accordance with the applicable requirements of NYSE Chicago[the Chicago Stock Exchange], Inc. (Exchange) and the Securities and Exchange Commission (SEC);

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**Rule 6. Fidelity Bonds**

(a) – (b) Unchanged

(c) Participant Firms doing business with the public shall:

(1) Maintain coverage for at least the following:

(A) Fidelity

(B) On Premises

(C) In Transit

(D) Misplacement

(E) Forgery and Alteration (including check forgery)

(F) Securities Loss (including securities forgery)

(G) Fraudulent Trading

(H) Cancellation Rider providing that the insurance carrier will use its best efforts to promptly notify the [Chicago Stock ]Exchange in the event the bond is cancelled, terminated or substantially modified.

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**ARTICLE 8. Business Conduct**

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**Rule 16. Conduct on Exchange Premises and Conduct Involving Participants or Exchange Employees**

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• • • *Interpretations and Policies:*

**.01 Policy Against Harassment**

(a) The [Chicago Stock ]Exchange is committed to fostering and maintaining an environment that allows each person to contribute fully to the Exchange's success. For that reason, Participants, Participant Firm employees and guests, when on Exchange premises, must not engage in the following conduct:

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## **ARTICLE 9. General Trading Rules**

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### **Rule 17. Prohibition Against Trading Ahead of Customer Orders**

(a) Except as provided herein, a Participant that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account.

(b) A Participant must have written procedures in place governing the execution and priority of all pending orders that is consistent with the requirements of this Rule and [CHX ]Article 17, Rule 3(d). A Participant also must ensure that these procedures are consistently applied.

• • • *Interpretations and Policies:*

**.01 - .02**      Unchanged

#### **.03 Riskless Principal Exception.**

The obligations under this Rule shall not apply to a Participant's proprietary trade if such proprietary trade is for the purposes of facilitating the execution, on a riskless principal basis, of another order from a customer (whether its own customer or the customer of another broker-dealer) (the "facilitated order"), provided that the Participant:

(a) submits a report, contemporaneously with the execution of the facilitated order, identifying the trade as riskless principal to the Exchange[CHX]; and

(b) has written policies and procedures to ensure that riskless principal transactions for which the Participant is relying upon this exception comply with applicable [CHX r]Rules.

At a minimum these policies and procedures must require that the customer order was received prior to the offsetting principal transaction, and that the offsetting principal transaction is at the same price as the customer order exclusive of any markup or markdown, commission equivalent or other fee and is allocated to a riskless principal or customer account in a consistent manner and within 60 seconds of execution.

Participants must have supervisory systems in place that produce records that enable the Participant and the Exchange[CHX] to reconstruct accurately, readily, and in a time-sequenced manner all facilitated orders for which the Participant relies on this exception.

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## **ARTICLE 15. Hearings and Reviews**

### **Rule 1. Applicability**

(a) This rule sets out the procedures that may be used to seek an opportunity to be heard and to appeal from certain decisions made by the Exchange pursuant to the[CHX] Rules. Decisions that may be reviewed pursuant to Article 15 shall be noted in the relevant [CHX r]Rule.

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## **ARTICLE 16. Market Makers**

### **Rule 1. Registration of Market Makers**

(a) - (c) Unchanged

(d) *Suspension or termination of registration.* The Exchange may suspend, terminate or otherwise limit a Participant's registration as a Market Maker upon a determination of any substantial or continued failure by the Market Maker to engage in dealings in accordance with Rule 4 below or failure to meet any other obligations as set forth in the[CHX] Rules. Nothing in this paragraph (d) will limit any other power of the Exchange to discipline a Participant pursuant to the[CHX] Rules.

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(f) *Market Maker as dealer.* A Market Maker is designated as a dealer for all purposes under the Exchange Act and the rules and regulations thereunder. Market Makers may trade only on a proprietary basis and may not handle any agency orders, subject to Rule 5 below. A Market Maker shall establish at least one separately designated [CHX ]Market Maker Trading Account through which all and only market making activities in securities assigned to the Market Maker shall originate. To the extent that a Participant wishes to act as a Market Maker and also handle orders from customers, it must create and strictly enforce information barrier procedures pursuant to Rule 5 below. Since Exchange-registered Market Makers are not permitted to handle agency orders, the Matching System will reject any cross orders that originate from a [CHX ]Market Maker Trading Account.

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## **Rule 2. Assignment of Securities to Market Makers**

(a) - (d) Unchanged

(e) *Involuntary withdrawal in assigned securities.* The Exchange may suspend or terminate a Market Maker's assignment to one or more securities whenever the Exchange determines that:

- (1) Market Maker has not met any of its obligations as set forth under the[CHX] Rules, including Rule 4 below; or

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## **Rule 4. Obligations of Market Makers**

(a) *General.* Market Makers in one or more securities traded on the Exchange must engage in a course of dealings for their own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets on the Exchange in accordance with the[CHX] Rules. The responsibilities and duties of a Market Maker specifically include, but are not limited to, the following:

- (1) Maintain continuous quotations consistent with the requirements of paragraph (d) below;
- (2) Remain in good standing with the Exchange and in compliance with all [CHX ]Rules applicable to it;

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(b) – (c) Unchanged

(d) *Quotation Requirements and Obligations*

(1) Two-Sided Quote Obligation. For each security in which a Participant is registered as a Market Maker, the Participant shall be willing to buy and sell such security for its own account on a continuous basis during the Open Trading State, as defined under Article 1, Rule 1(qq), and shall enter and maintain a two-sided trading interest (“Two-Sided Obligation”) that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange’s quotation montage during the Open Trading State. Interest eligible to be considered as part of a Market Maker’s Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be 100 shares. After an execution against its Two-Sided Obligation or upon the conclusion of a SNAP Cycle, as described under Article 18, Rule 1, a Market Maker must ensure that additional trading interest exists in the Exchange to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the [CHX ]book that will satisfy this obligation.

(2) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a Market Maker shall adhere to the pricing obligations established by this Rule during the Open Trading State; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(A)– (C) Unchanged

(D) For purposes of this Rule, the “Designated Percentage” shall be 8% for securities subject to Article 20, Rule 2A(c)(1)(A), 28% for securities subject to Article 20, Rule 2A(c)(1)(B), and 30% for securities subject to Article 20, Rule 2A(c)(1)(C). For times during regular market

hours when stock pause triggers are not in effect under [CHX ]Article 20, Rule 2 and Rule 2A (or comparable rule of another exchange), the Designated Percentage shall be 20% for securities subject to Article 20, Rule 2A(c)(1)(A), 28% for securities subject to Article 20, Rule 2A(c)(1)(B), and 30% for securities subject to Article 20, Rule 2A(c)(1)(C).

(E) For purposes of this Rule, the “Defined Limit” shall be 9.5% for securities subject to Article 20, Rule 2A(c)(1)(A), 29.5% for securities subject to Article 20, Rule 2A(c)(1)(B), and 31.5% for securities subject to Article 20, Rule 2A(c)(1)(C). For times during regular market hours when stock pause triggers are not in effect under [CHX ]Article 20, Rule 2 and Rule 2A (or comparable rule of another exchange), the Defined Limit shall be 21.5% for securities subject to Article 20, Rule 2A(c)(1)(A), 29.5% for securities subject to Article 20, Rule 2A(c)(1)(B), and 31.5% for securities subject to Article 20, Rule 2A(c)(1)(C).

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## **ARTICLE 17. Institutional Brokers**

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### **Rule 3. Responsibilities**

The responsibilities and duties of an Institutional Broker specifically include, but are not limited to, the following activities by or through an affiliated IBR:

(a) *Entry of orders and related information into an automated system.* Each Institutional Broker must enter all orders it receives for execution and any other information as required under Article 11 into an automated system approved by the Exchange.

(b) *Handling of orders within an integrated system.* Each Institutional Broker must use an electronic system, acceptable to the Exchange, for the handling of orders that integrates the Institutional Broker's on-Exchange trading activities within the Matching System with its trading activities in other market centers. Use of the Brokerplex<sup>®</sup> System as described in Rule 5 of this Article shall satisfy the provisions of this subsection.

(c) *Maintenance of specific recordkeeping accounts.* Each Institutional Broker must establish and maintain separate Exchange[CHX] recordkeeping accounts at the Exchange for the sole purpose of recording the following activity: (1) an agency recordkeeping

account for agency transactions; (2) a principal recordkeeping account for principal and riskless principal transactions; and (3) an error recordkeeping account for transactions involving only Bona Fide Errors. An Institutional Broker must record each above-mentioned transaction into the appropriate Exchange[CHX] recordkeeping account.

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• • • *Interpretations and Policies:*

**.01 - .02**        Unchanged

**.03**        An Institutional Broker is a [CHX ]Participant Firm which voluntarily elects to register with the Exchange as such, and satisfies the Exchange’s requirements as set forth in this Article. An Institutional Broker shall not be regarded as operating on the Exchange.

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## **Rule 5. Brokerplex**

(a) *Description of System.* The Exchange provides the Brokerplex<sup>®</sup> trading system for use by Institutional Broker Representatives (“IBRs”), as defined in Rule 1 of this Article and the Interpretations and Policies thereto, who are affiliated with [CHX-registered ]Institutional Brokers. Brokerplex is an order and trade entry, recordation and management system developed and operated by the Exchange[CHX] for use by IBRs to receive, transmit and hold orders from their clients while seeking execution within the [CHX ]Matching System or elsewhere in the National Market System. Brokerplex can also be used to record trade executions and send transaction reports to a Trade Reporting Facility (“TRF”), as defined in FINRA Rules 6300 *et seq.*, as amended from time-to-time. Brokerplex can also be used by IBRs to initiate clearing submissions to a Qualified Clearing Agency via the Exchange’s reporting systems. Reports of orders, executions and clearing submissions received, handled or submitted via Brokerplex are kept by the system.

(b) *Record Retention.* Users of the Brokerplex system are responsible for entering all transactional, order and other information into the system as required by [CHX r]Rules and in an accurate, timely and complete matter. As the operator of the Brokerplex system, the Exchange[CHX] retains such information on behalf of the user in conformity with applicable rules and regulations. The Exchange provides such information to Institutional Brokers in a format designated by the Exchange to assist Institutional Brokers in processing orders and transactions, responding to request for information from

customers and regulatory bodies and for other legitimate business purposes. The Exchange charges the Institutional Brokers the fees specified in its published Schedule of Fees and Assessments for the retrieval of information.

(c) *Order Types, Conditions and Instructions.*

(1) – (2) Unchanged

(3) *Brokerplex Processed Orders.* In addition to the order types described in Section (c)(1) and (2) of this Rule, Brokerplex accepts and processes the following orders types, conditions and instructions as described below.

(A) *Quote@Exchange[CHX].* The *Quote@Exchange[CHX]* order type allows the IBR to submit an order to be priced within Brokerplex at a defined limit price which is one minimum price increment (normally 1 cent for most securities) from the relevant side of the National Best Bid or Offer (“NBBO”). For buy orders, the relevant side of the NBBO is the offer; for sell orders it is the bid. An IBR handling a customer limit order must enter the limit price into Brokerplex as part of submitting a *Quote@Exchange[CHX]* order. In pricing the *Quote@Exchange[CHX]*, Brokerplex will reject any entries if the systematically-generated price would be outside the customer’s specified limit price. The *Quote@Exchange[CHX]* order may not be transmitted to destinations other than the [CHX ]Matching System. The Matching System itself will not be eligible to receive this order type; rather, it will receive a standard limit order at a price generated by Brokerplex; and

(B) *Reprice@Exchange[CHX].* The *Reprice@Exchange[CHX]* order type allows a Brokerplex user to cancel an existing limit order residing in the Matching System and replace it with an order generated in the same manner as a *Quote@Exchange[CHX]* order type. An IBR handling a customer limit order must enter the limit price into Brokerplex as part of submitting a *Reprice@Exchange[CHX]* order. In pricing the *Reprice@Exchange[CHX]* orders, Brokerplex will reject any entries if the systematically-generated price would be outside the customer’s specified limit price. The *Reprice@Exchange[CHX]* order type may not be transmitted to destinations other than the [CHX ]Matching System. The Matching System itself will not be eligible to receive these order type; rather, it will receive a standard limit order at a price generated by Brokerplex.



(d) *Trade Allocation.* As permitted by [CHX r]Rules, an IBR may make post-trade entries in Brokerplex to transfer positions from one Clearing Participant to one or more other Clearing Participants or from its own account to the account of a Clearing Participant.

(e) – (f) Unchanged

(g) *Submission to Clearing.* The Exchange makes clearing submissions for trades entered and/or recorded in Brokerplex as directed by an IBR to a Qualified Clearing Agency pursuant to the provisions of Article 21, Rules 1 (Trade Recording with a Qualified Clearing Agency) and 6 (Submission of Clearing Information for Transactions Executed Off-Exchange), for Exchange[CHX] and non-Exchange[CHX] trade executions, respectively.

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#### **Rule 6. Non-Institutional Broker Unit; Information Barriers**

(a) *Basic Requirement.* An Institutional Broker registered pursuant to this Article is permitted to maintain another unit of the firm composed exclusively of individual persons not registered as IBRs with the Exchange (the “non-Institutional Broker unit”) that conducts business otherwise than as an Institutional Broker, including the acceptance, handling and execution of orders on the Exchange[CHX], in other trading centers or in the over-the-counter marketplace. For purposes of applying the Exchange’s Schedule of Fees and Assessments, the activity of a non-Institutional Broker unit shall not be considered as Institutional Broker activity. A multi-unit Institutional Broker shall establish and maintain information barriers between the Institutional Broker unit and non-Institutional Broker unit. Such information barriers shall be reasonably designed to prevent the Institutional Broker unit from having knowledge of unexecuted customer orders in possession of the non-Institutional Broker unit and likewise prevent the non-Institutional Broker unit from having knowledge of unexecuted customer orders in the possession of the Institutional Broker unit. The Institutional Broker unit may, however, transmit an order to, or share market information with (as provided in Interpretation and Policy .01), the non-Institutional Broker unit of the firm for purposes of handling and executing the order, and the non-Institutional Broker unit may likewise transmit an order to the Institutional Broker unit.

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#### **Rule 7. Broker Back Office System**

(a) Unchanged

(b) *Record Retention.* Users of the BBOS are responsible for entering all transactional, order and other information into the system as required by the [CHX] Rules, in an accurate, timely and complete matter. As the operator of BBOS, the Exchange retains information entered into BBOS on behalf of the user in conformity with applicable rules and regulations. The Exchange provides such information to Institutional Brokers in a format designated by the Exchange to assist Institutional Brokers: in conducting research regarding their own trading activities; in responding to requests for information from customers, regulatory authorities or by process of law; and for other legitimate business purposes. The Exchange charges the Institutional Brokers the fees specified in its published Schedule of Fees and Assessments for the collection and retrieval of such information.

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## **ARTICLE 18. Auctions**

### **Rule 1. Sub-second Non-displayed Auction Process (“SNAP”)**

(a) Unchanged

(b) *SNAP Cycle.* A SNAP Cycle is comprised of the following five stages.

(1) *Stage One: Beginning the SNAP Cycle.* Upon the initiation of a SNAP Cycle pursuant to Rule 1A below, the Matching System shall immediately suspend automated matching of orders in the subject security and shall take the following actions:

(A) Unchanged

(B) *[CHX] Book Feed.* The Exchange shall submit messages through the [CHX] Book Feed to reflect that precedent orders previously disseminated through the [CHX] Book Feed are no longer automatically executable. The Exchange will suspend dissemination of any other order information concerning the subject security.

(2) *Stage Two: SNAP Order Acceptance Period.* The SNAP Order Acceptance Period shall begin upon initiation of a SNAP Cycle and last approximately 475 to 525 milliseconds, the actual length of which will be randomized by the Matching System and take the following actions:

(A) *Precedent orders.* Orders received by the Exchange prior to the initiation of a SNAP Cycle in the subject security shall be handled as follows:

(i) *SNAP Eligible Orders,* as defined under Article 1, Rule 1(ss), in the subject security, not marked SNAP AOO - Pegged, as defined under Article 1, Rule 2(h)(3)(C), resting on the [CHX ]book or SNAP AOO Queue, as described under Article 20, Rule 8(b)(2)(A), prior to the initiation of the current SNAP Cycle, shall be ranked on the SNAP [CHX ]book, pursuant to Article 20, Rule 8(b)(3)(A) – (C) and (E), as applicable. Precedent SNAP AOOs marked SNAP AOO - Pegged shall remain on the SNAP AOO Queue until ranked on the SNAP [CHX ]book, pursuant to paragraph (b)(3)(A) below.

(ii) *Initiating order.* The limit order marked Start SNAP that initiated the SNAP Cycle shall be ranked on the SNAP [CHX ]book, pursuant to Article 20, Rule 8(b)(3)(D).

(iii) *Non-SNAP Eligible Orders* in the subject security resting on the [CHX ]book prior to the initiation of the current SNAP Cycle shall be cancelled.

(B) *Incoming orders.* Incoming orders received during the SNAP Cycle shall be handled as follows:

(i) *Incoming SNAP Eligible Orders.* Incoming SNAP Eligible Orders received during the SNAP Order Acceptance Period shall be immediately ranked on the SNAP [CHX ]book, pursuant to Article 20, Rule 8(b)(3)(E); provided, however, that SNAP AOOs marked SNAP AOO - Pegged shall be placed in the SNAP AOO Queue upon receipt and shall only be ranked on the SNAP [CHX ]book, pursuant to paragraph (b)(3)(A) below. Incoming SNAP Eligible Orders received after the SNAP Order Acceptance Period, but during a SNAP Cycle, shall not be eligible to participate in the current SNAP Cycle and shall be queued, pursuant to subparagraph (C) below.

\*\*\*\*\*

(D) *Deactivate certain modifiers.* Prior to being ranked on the SNAP[ CHX] book, the following order modifiers shall be deactivated for the subject security only:

- (i) Exchange[CHX] Only.
- (ii) Post Only.
- (iii) Do Not Route.
- (iv) Match Trade Prevention.
- (v) Always Quote.
- (vi) Reserve Size.

(E) *Market snapshot and routing availability.* Upon the conclusion of the SNAP Order Acceptance Period, the Matching System shall take a snapshot of the Protected Quotation(s) of external market(s) in the subject security and determine whether or not the [CHX ]Routing Services are available. If a two-sided NBBO does not exist or the [CHX ]Routing Services are unavailable, the SNAP Cycle shall be aborted without any executions and the Matching System shall immediately begin the stage five Transition to the Open Trading State.

(3) *Stage Three: Pricing and Satisfaction Period.* If permitted, pursuant to paragraph (b)(2)(E) above, the Matching System shall utilize the market snapshot taken pursuant to paragraph (b)(2)(E) to initiate the Pricing and Satisfaction Period by taking the following actions:

(A) *Pricing and Ranking of SNAP AOOs Marked SNAP AOO - Pegged.* The Matching System shall price all SNAP AOOs marked SNAP AOO - Pegged remaining on the SNAP AOO Queue, then rank such orders on the SNAP [CHX ]book, pursuant to Article 20, Rule 8(b)(3)(E).

(B) Unchanged

(C) *Satisfaction Period.* If the SNAP Price requires the routing of one or more orders, pursuant to Article 19, Rule 3(a)(4) and/or (5), the Exchange's routing systems shall route away the necessary SNAP Eligible Orders, or portions thereof, based on their execution priority, pursuant to paragraph (b)(4)(A). The Matching System shall then delay proceeding to the stage four Order Matching Period for 200 milliseconds or until all confirmations for routed orders have been received from away market(s), whichever occurs first.

The unexecuted remainders of orders routed away pursuant to Article 19, Rule 3(a)(4) and/or (5) returned to the Matching System prior to the expiration of the Satisfaction Period during which the orders were routed away shall maintain their respective original execution priority within the SNAP [CHX ]book, whereas such unexecuted remainders returned to the Matching System after the expiration of the Satisfaction Period during which the orders were routed away shall be handled pursuant to Article 20, Rule 8(b)(7).

(4) *Stage Four: Order Matching Period.* Upon conclusion of the stage three Pricing and Satisfaction Period, orders remaining on the SNAP [CHX ]book if any, shall be matched at the SNAP Price as follows:

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(5) *Stage Five: Transition to the Open Trading State.* Upon conclusion of [the of ]stages two or four of the SNAP Cycle, the Matching System shall utilize the market snapshot taken pursuant to paragraph (b)(3)(B) or (b)(4)(B), as applicable, to transition trading in the subject security to the Open Trading State by taking the following actions:

(A) *Resting Orders.* Orders resting on the SNAP [CHX ]book shall be transitioned to the [CHX ]book and shall be ranked, pursuant to Article 20, Rule 8(b)(1); routed away, pursuant to Article 19, Rule 3(a); placed in the SNAP AOO Queue, pursuant to Article 20, Rule 8(b)(2)(A), if the order is a SNAP AOO that may participate in a subsequent SNAP Cycle; or otherwise cancelled. All order modifiers attached to the SNAP Eligible Orders being transitioned to the [CHX ]book that were deactivated shall be reactivated prior to transition to the [CHX ]book.

(B) Unchanged

(C) *Notice of end of SNAP to market.* Once the processes under subparagraphs (A) and (B) have been completed, the Exchange will notify the market that the SNAP Cycle has concluded; publish Protected Quotation(s) in the subject security, if any; and begin the dissemination of relevant order information concerning orders resting on the [CHX ]book, pursuant to Article 4, Rule 1.

(c) *Halt, pause or suspension during the SNAP Cycle.* A SNAP Cycle shall not begin in a security if a trading halt, pause or suspension is in effect for a subject security that requires the Exchange to suspend trading in that security (“material halt, pause or suspension”). In the event a material halt, pause or suspension has been declared for the

subject security during a SNAP Cycle, the Exchange shall take the following actions, as applicable:

(1) *SNAP [CHX]book*

(A) *During stages one or two.* If the market snapshot taken pursuant to paragraph (b)(2)(E) or (F) indicates that a halt, pause or suspension is in effect, the SNAP Cycle shall be aborted and not proceed to stage three or stage five, as applicable. The Exchange shall then cancel all orders resting on the SNAP [CHX]book, subject to paragraph (c)(2) below.

(B) *During stages three or four.* If the market snapshot taken pursuant to paragraph (b)(3)(B) or (b)(4)(B) indicates that a halt, pause or suspension is in effect for the subject security, the SNAP Cycle shall be aborted and not proceed to stage five. The Exchange shall then cancel the unexecuted remainders of all orders resting on the SNAP [CHX]book, subject to paragraph (c)(2) below.

(C) Any subsequent material halt or pause shall be handled pursuant to the relevant [CHX]Rules.

(2) *SNAP AOOs.* Upon initiation of a material halt or pause, all SNAP AOOs not marked Cancel On Halt or otherwise cancelled by the order sender that are -1- on the SNAP AOO Queue, as defined under Article 20, Rule 8(b)(2)(A), or -2- resting on the SNAP [CHX]book and may be re-queued on the SNAP AOO Queue, shall remain or be re-queued on the SNAP AOO Queue, as applicable, and not cancelled.

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**Rule 1A. Initiating SNAP**

(a) Unchanged

(b) *Exchange-initiated SNAP.* During the Open Trading State for each SNAP-eligible security and at preprogrammed intervals, the Exchange shall review the [CHX]book, SNAP AOO Queue and Protected Quotations of external markets to determine whether sufficient liquidity exists to initiate a SNAP Cycle without the receipt of a valid limit order marked Start SNAP (“*pro forma* SNAP review”). In conducting the *pro forma* SNAP review, the Exchange shall take a market snapshot of the Protected Quotations of external markets in the subject security and calculate a *pro forma* SNAP Price, as defined under Article 1, Rule 1(rr), to determine:

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(c) *Restrictions on Exchange-initiated SNAP.* Notwithstanding paragraph (b) above, the Exchange shall not initiate a SNAP Cycle:

(1) Unchanged

(2) if the [CHX ]Routing Services, as described under Article 19, are not available at the time of the market snapshot taken pursuant to be paragraph (b) above; or

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## **ARTICLE 19. Operation of the [CHX ]Routing Services**

### **Rule 1. [CHX ]Routing Services**

(a) *Generally.* Routable Orders that have been submitted to, and accepted by, the Matching System may be routed from the Matching System to other Trading Centers pursuant to this Article 19 and in a manner that is compliant with other Exchange rules and all securities laws and regulations, including, but not limited to, Regulation NMS and Regulation SHO; provided that the Exchange’s routing-related systems and facilities are enabled and operational.

(b) *Limitation of liability.* Use of the [CHX ]Routing Services is optional and subject to the Exchange’s limitation of liability, pursuant to Article 3, Rule 19.

\*\*\*\*\*

### **Rule 2. Routing Brokers**

(a) *CHXBD, LLC as Outbound Router.* The Exchange shall provide the [CHX ]Routing Services through CHXBD, LLC (“CHXBD”), which is an affiliated broker that operates as a facility of the Exchange. CHXBD shall utilize one or more non-affiliated third-party brokers-dealers (“third-party routing brokers” and together with CHXBD “routing brokers”) in connection with the [CHX ]Routing Services to route orders to away Trading Centers. CHXBD shall only accept routing-related instructions from the Exchange to route orders to away Trading Centers and shall not accept routing instructions from Participants or other non-Participants directly. Thus, the Exchange will determine the logic that provides, when, how, and where orders are routed away. Routing brokers cannot change the terms of an order or the routing instructions, nor do the routing brokers have any discretion about where to route an order. The Exchange shall report and allocate executions or report cancellations of routed orders at the away Trading Centers

to the Participants that submitted the Routable Orders and to Qualified Clearing Agencies. Neither the Exchange nor CHXBD shall have responsibility for the handling of the routed order by the away Trading Center.

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### **Rule 3. Routing Events**

(a) A Routable Order, or a portion thereof, shall be routed pursuant to the [CHX ]Routing Services in compliance with [CHX r]Rules and all federal securities laws, rules and regulations, including Regulation NMS and Regulation SHO, to the extent necessary:

(1) – (2) Unchanged

(3) To execute an incoming Routable Order marked Do Not Display or a Routable Order of an Odd Lot that could not be displayed (“incoming undisplayed Routable Order”) against any Protected Quotation(s) of external market(s) priced at or better than the limit price of the incoming undisplayed Routable Order if there are no contra-side resting orders on the [CHX ]book against which the incoming undisplayed Routable Order could execute.

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## **ARTICLE 20. Operation of the [CHX ]Matching System**

### **Rule 1. Trading Sessions**

(a) Unchanged

(b) *Trading sessions.* The Exchange shall have four trading sessions during each day. The first trading session – the early session – shall begin at 6:00 a.m. and shall end at 8:30 a.m. The second session – the regular trading session - shall begin at 8:30 a.m. and shall end at 3:00 p.m. each day for all securities. The third trading session - the late trading session - shall begin immediately after the close of the second session and shall end at 3:15 p.m. The fourth trading session – the late crossing session – shall begin immediately after the close of the third session and end at 4:00 p.m. Trading during these sessions may be halted, paused or suspended, pursuant to relevant [CHX ]Rules.

(c) Unchanged



(d) *Trading suspensions, pauses or halts.* Two officers of the Exchange appointed by the Exchange's Chief Executive Officer may suspend and restart trading, in one or more securities, at any time during a trading session or may halt trading, in one or more securities, for the remainder of the trading day, whenever they believe it is in the public interest. Trading halts or suspensions for longer periods of time must be approved by the Exchange's Board of Directors. Trading may also be halted, paused or suspended on the Exchange, and resumed thereafter, pursuant to other [CHX ]Rules.

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**Rule 2A. Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility**

*Operative April 8, 2013*

(a) *Limit Up-Limit Down Requirements*

(1) – (3)        Unchanged

(4) *Exchange Compliance with the Plan*

(A) *Execution of Orders Outside of the Price Bands Prohibited.* The Matching System shall not execute any orders at prices that are below the Lower Price Band or above the Upper Price Band, unless such interest is specifically exempted under the Plan.

(i)        Unchanged

(ii) “Market” orders, as defined under Article 1, Rule 2(a)(3), may execute at the most aggressive permissible price at or within the Price Bands. All Market orders are Immediate or Cancel and shall not be posted to the [CHX ]book.

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(b) *LULD Price Sliding*

(1)        Unchanged

(2) *LULD Price Sliding and the Exchange[CHX] Only Price Sliding Processes.* Any order eligible for the Exchange[CHX] Only Price Sliding Processes, comprised of NMS Price Sliding and Short Sale Price Sliding, pursuant to Article

1, Rule 2(b)(1)(C), shall also be eligible for LULD Price Sliding. An order eligible for LULD Price Sliding shall only be eligible for the Exchange[CHX] Only Price Sliding Processes if it is marked “Exchange[CHX] Only.”

(A) *Orders dually eligible for LULD Price Sliding and the Exchange[CHX] Only Price Sliding Processes.*

(i) A dually eligible order that triggers LULD and/or Exchange[CHX] Only Price Sliding shall be price slid to, and displayed at, if applicable, the most aggressive permissible prices, in compliance with the[CHX] Rules, Regulation NMS, Regulation SHO and the Plan.

(ii) If a dually eligible price slid resting order could be executable and/or displayed at a more aggressive price, the order shall be price slid to, and displayed at, the most aggressive permissible prices, in compliance with the[CHX] Rules, Regulation NMS, Regulation SHO and the Plan.

(B) *Orders eligible for LULD Price Sliding only.* An order that is eligible for LULD Price Sliding, but not eligible for the Exchange[CHX] Only Price Sliding Processes, shall be cancelled and/or rejected, if:

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(c) *Trading Pauses.* Securities shall remain subject to the requirements of paragraphs (c)(1) and (c)(2) below until such securities become subject to the Plan. Once an NMS Stock is subject to the Plan, the security shall only be subject to a Trading Pause under the Plan consistent with paragraphs (c)(3) and (c)(4) below.

(1) - (2) Unchanged

(3) *Trading Pause Pursuant to the Plan.* A Trading Pause shall be commenced by the Exchange pursuant to the Plan.

(A) *Upon commencement of a Trading Pause,* the Exchange shall cancel all orders in the NMS Stock subject to the Trading Pause resting in the [CHX] book, subject to Article 18, Rule 1(c).

(B) Unchanged

(4) *Reopening After a Trading Pause.* After a Trading Pause, the Exchange shall attempt to reopen trading in the NMS Stock subject to the Trading Pause, pursuant to the Plan and to procedures adopted by the Exchange and communicated by notice to its Participants. If a Trading Pause was initiated by another exchange, the Exchange[CHX] may resume trading following the Trading Pause upon receipt of the Price Bands from the Processor.

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#### **Rule 5. Prevention of Trade-Throughs**

(a) An inbound order for at least a round lot is not eligible for execution on the Exchange if its execution would be improper under Rule 611 of Regulation NMS (but not including the exception set out in Rule 611(b)(8)) (an "improper trade-through") and such an order shall be handled by the Exchange as follows:

(1) Unchanged

(2) If the execution of all or part of an inbound order would cause an improper trade-through and the order cannot be routed away, the order shall be automatically cancelled; provided, however, that such an order marked Exchange[CHX] Only may be subject to the Exchange[CHX] Only Price Sliding Processes, detailed under Article 1, Rule 2(b)(1)(C) and not automatically cancelled.

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#### **Rule 6. Locked and Crossed Markets**

(a) – (c) Unchanged

(d) *Matching System operation.* Except as permitted in paragraph (c) above, an order is not eligible for display on the Exchange if its display would lock or cross a Protected Quotation of an external market in violation of Rule 610 of Regulation NMS and such an order shall be handled by the Exchange as follows:

(1) Unchanged

(2) If the display of an order would impermissibly lock or cross a Protected Quotation of an external market and the order cannot be routed away, that order shall be automatically cancelled; provided, however, that such an order marked Exchange[CHX] Only may be subject to the Exchange[CHX] Only Price Sliding

Processes, detailed under Article 1, Rule 2(b)(1)(C) and not automatically cancelled.

\*\*\*\*\*

## **Rule 8. Operation of the Matching System**

The Exchange's Matching System shall operate in the following manner:

(a) *Routing of orders.* Participants may route orders to the Matching System through any communications line approved by the Exchange. Participants may only route orders away from the Matching System by utilizing the [CHX ]Routing Services, pursuant to Article 19.

(b) *Ranking and display of orders.* Orders shall be ranked and displayed as follows:

(1) [CHX b] *Book ranking.* Otherwise than during a SNAP Cycle, as described under Article 18, Rule 1(b), orders that may post to the [CHX ]book shall be executable in Working Price/display status/sequence number priority and shall be ranked on the [CHX ]book as follows:

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(2) *Orders not ranked upon receipt.* The following orders shall not be ranked on the [CHX ]book upon receipt, but shall be queued until ranked as follows:

(A) *SNAP AOO Queue.* Valid SNAP AOOs, as defined under Article 1, Rule 2(h)(3), shall be queued in the order in which they were originally received; provided, however, that SNAP AOOs not marked SNAP AOO-Pegged received during a SNAP Order Acceptance Period shall be immediately ranked on the SNAP [CHX ]book upon receipt and not queued. All SNAP AOOs shall be ranked on the SNAP [CHX ]book, pursuant to paragraph (b)(3)(E) below. SNAP AOOs that are to be re-queued shall be re-queued based on time of original receipt.

(3) *SNAP [CHX ]book ranking.* During a SNAP Cycle, as described under Article 18, Rule 1(b), orders shall receive execution priority as described under Article 18, Rule 1(b)(4)(A) and be ranked on the SNAP [CHX ]book as follows:

(A) *Precedent fully-displayable orders and displayed portions of Reserve Size orders.* At each price point up or down to their limit prices, SNAP Eligible Orders ranked pursuant to paragraph (b)(1)(A) above that were resting on the [CHX ]book at the time a SNAP Cycle was initiated in the subject security

shall maintain their rank on the SNAP [CHX ]book ahead of orders as described under subparagraphs (B) - (E) below.

(B) *Precedent undisplayed portion of Reserve Size orders.* At each price point up or down to their limit prices, SNAP Eligible Orders ranked pursuant to paragraph (b)(1)(B) above that were resting on the [CHX ]book at the time an SNAP Cycle was initiated in the subject security shall maintain their rank on the SNAP [CHX ]book after any orders as described under subparagraph (A) above.

(C) *Precedent orders marked Do Not Display.* At each price point up or down to their limit prices, SNAP Eligible Orders ranked pursuant to paragraph (b)(1)(C) above that were resting on the [CHX] book at the time a SNAP Cycle was initiated in the subject security shall maintain their rank on the [CHX] book after any orders as described under subparagraphs (A) and (B) above.

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(6) *Displayed Exchange[CHX] Best Bid and Offer.* Except as provided in Rule 5 above or Article 18, Rule 1(b), all orders or portions of orders described under paragraph (b)(1)(A) above that constitute the best bid(s) or offer(s) in the Matching System in each security, the display of which would not violate Rule 610 under Regulation NMS (“displayable Exchange[CHX] BBO”), shall be immediately and publicly displayed through the processes set out in the appropriate reporting plan for each security, provided that the displayable Exchange[CHX] BBO is for at least a Round Lot. The displayable Exchange[CHX] BBO for a security shall only be displayed in multiples of a Round Lot. If the displayable Exchange[CHX] BBO for a security is for an Odd Lot, it shall not be displayed, but the bids or offers that constitute the undisplayed yet displayable Exchange[CHX] BBO shall maintain their execution priority pursuant to paragraph (b)(1)(A) above. If the displayable Exchange[CHX] BBO for a security is for a Mixed Lot, it shall be rounded down to the nearest integer multiple of a Round Lot for display purposes only and the displayable yet undisplayed Odd Lot remainder(s) shall maintain their execution priority pursuant to paragraph (b)(1)(A) above.

(7) *Priority of unexecuted remainders of routed orders returned to the Matching System.* An unexecuted remainder of a routed order returned to the Matching System in one or more parts shall be added to the existing balance of the related Routable Order already posted to the [CHX ]book, the SNAP [CHX ]book or the SNAP AOO Queue, as applicable. If no balance exists at the time a

part of an unexecuted remainder of a routed order is returned to the Matching System, it shall be treated as a new incoming order, subject to Article 18, Rule 1(b)(3)(C).

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(d) *Automated matching of orders.* Orders shall automatically match against each other, as follows:

(1) Except for certain orders which shall be executed as described in Rule 8(e), below, an incoming order shall be matched against one or more resting orders in the Matching System, in the order in which the resting orders are ranked on the [CHX ]book, pursuant to Rule 8(b) above, at the Working Price of each resting order, as defined under Article 1, Rule 1(pp), for the full amount of shares available at that price, or for the size of the incoming order, if smaller.

(2) Unchanged

(3) Odd Lot orders and unexecuted Odd Lot remainders that are unable to be immediately displayed according to Rule 8(b)(6) above (because they are at a price that is better than the current Exchange[CHX] quote) shall be posted to, remain in, or be routed or cancelled from, the Exchange's Matching System according to the attached order modifiers. Orders remaining in the Matching System will continue to be ranked at the price and time at which they were originally received.

(4) *Rule 201 of Regulation SHO.*

(A) *Open Trading State.* During the Open Trading State, as defined under Article 1, Rule 1(qq), and the stage five Transition to the Open Trading State, as described under Article 18, Rule 1(b)(5), orders marked Sell Short in a covered security subject to the short sale price test restriction shall be handled as follows:

(i) Unchanged

(ii) The Rule 201(b)(1)(iii)(A) exception shall also apply to resting limit orders marked Sell Short and Reserve Size, as defined under Article 1, Rule 2(c)(3), and, pursuant to the exception, such orders shall be permitted to execute at its initially displayed price, up to its full size, including the undisplayed portion, during one order-matching event.

Reserve Size orders may not be modified or refreshed during an order-matching event. If a Reserve Size order is refreshed after an order matching event, but the refreshed quote cannot be permissibly displayed at the initially displayed price in compliance with Regulation SHO, the entire Reserve Size order shall be cancelled or price slid, if the order is marked Exchange[CHX] Only, as defined under Article 1, Rule 2(b)(1)(C).

(iii) If the NBBO for a covered security subject to the short sale price test restriction become crossed, a Sell Short order in the covered security may be displayed or executed at a price that is less than or equal to the current NBB while the market is crossed.

(iv) A Sell Short order, other than an Exchange[CHX] Only order, will be cancelled back to the order sender if, based on Rule 201 of Regulation SHO, such order is not executable, cannot be routed to another Trading Center pursuant to Article 19, Rule 3 or cannot be posted to the Matching System.

(B) *SNAP Cycle*. During the stage four Order Matching Period of a SNAP Cycle, as described under Article 18, Rule 1(b)(4), in a covered security subject to the short sale price test restriction, participating SNAP Eligible Orders, as defined under Article 1, Rule 1(ss), marked Sell Short shall not be permitted to execute at prices at or below the NBB ascertained from the market snapshot taken pursuant to Article 18, Rule 1(b)(2)(E) and shall be handled as follows:

(i) A SNAP Eligible Order marked Sell Short in a covered security subject to the short sale price test restriction, with a limit price at or below the NBB ascertained from the market snapshot taken pursuant to Article 18, Rule 1(b)(2)(E), shall be repriced to one minimum price increment above that NBB for ranking purposes on the SNAP [CHX]book. A SNAP Eligible Order marked Sell Short in a covered security subject to the short sale price test restriction, with a limit price at one minimum price increment above the NBB ascertained from the market snapshot taken pursuant to Article 18, Rule 1(b)(2)(E) or higher, shall be ranked on the SNAP [CHX]book at its limit price, without repricing. A SNAP Eligible Order marked Short Exempt, as defined under Article 1, Rule 2(b)(3)(E), in a covered security subject to the short sale price test restriction, shall be handled like a SNAP Eligible Order not marked Sell Short, as described under Article 18, Rule 1(b). SNAP Eligible Orders marked Sell Short in a covered security subject to the short sale price test restriction will never be permitted to execute at prices at or below the

NBB ascertained from the market snapshot taken pursuant to Article 18, Rule 1(b)(2)(E).

(ii) The Rule 201(b)(1)(iii)(A) of Regulation SHO exception shall not apply to a SNAP Eligible Order marked Sell Short that is being transitioned to the SNAP [CHX ]book and such an order shall be repriced, if necessary, pursuant to subparagraph (B)(i) above.

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(f) *Cancellation of orders.* Order cancellation messages submitted by Participants shall be handled as follows:

(1) Orders resting on the [CHX ]book shall be immediately and automatically cancelled upon receipt of a cancellation message; provided, however, that cross orders cannot be cancelled or changed because they are always handled IOC; and

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#### **Rule 9. Cancellation or Adjustment of Bona Fide Error Trades**

(a) – (b) Unchanged

(c) *Exchange validation of an adjustment.* A trade adjustment shall only be made to the extent necessary to correct the Bona Fide Error. Prior to approving an adjustment, the Exchange shall ascertain that the adjusted trade could have been executed in the Matching System at the time the trade was initially executed, in compliance with all applicable Exchange[CHX] and SEC rules. If approved, the trade adjustment shall be accepted, recorded and submitted to a Qualified Clearing Agency, without regard to orders residing in the Matching System at the time the adjustment is made.

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#### **Rule 10. Handling of Clearly Erroneous Transactions**

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(e) *Review Procedures.*

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(2) *Appeals.* No change.



(A) The Committee on Exchange Procedure is organized and operates pursuant to the provisions of Article 2, Rule 52.

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**Rule 11. Cancellation or Adjustment of Stock Leg Trades**

(a) – (b) Unchanged

(c) *Adjustment of Stock Leg Trade*

(1) – (3) Unchanged

(4) *Exchange validation of an adjustment.* A stock leg trade adjustment shall only be made to the extent that the requirements of this paragraph (c) are satisfied. Prior to approving an adjustment, the Exchange shall ascertain that the adjusted stock leg trade could have been executed in the Matching System at the time the trade was initially executed, in compliance with all applicable Exchange[CHX] and SEC rules. If approved, the trade adjustment shall be accepted, recorded and submitted to a Qualified Clearing Agency, without regard to orders residing in the Matching System at the time the adjustment is made.

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**Rule 12. Order Cancellation/Release by the Exchange**

(a) The Exchange or CHXBD may cancel orders as it deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, CHXBD, a non-affiliated third party broker in connection with the [CHX ]Routing Services provided under Article 19, or another Trading Center to which an order has been routed. The Exchange or CHXBD shall provide notice of the cancellation to affected Participants as soon as practicable.

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**Rule 13. Compliance with Regulation NMS Plan to Implement a Tick Size Pilot**

(a) Compliance with Quoting and Trading Restrictions

(1) *Exchange*[CHX] *Participant Compliance.* Exchange[CHX] Participants shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the applicable quoting and trading requirements of the Plan.

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## (5) Pilot Securities in Test Group Two

(A) No Exchange[CHX] Participant may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group Two in increments other than \$0.05. However, orders priced to execute at the midpoint of the NBBO or PBBO and orders entered in a Plan Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

(B) Absent any of the exceptions listed in subparagraph (5)(C) below, no Exchange[CHX] Participant may execute orders in any Pilot Security in Test Group Two in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

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

(i) - (iii) Unchanged

(iv) Executions of a customer order to comply with Article 9, Rule 17 following the execution of a proprietary trade by the Exchange[CHX] Participant at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

## (6) Pilot Securities in Test Group Three

(A) No Exchange[CHX] Participant may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group Three in increments other than \$0.05. However, orders priced to execute at the midpoint of the NBBO or PBBO and orders entered in a Plan Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

(B) Absent any of the exceptions listed in subparagraph (6)(C) below, no Exchange[CHX] Participant may execute orders in any Pilot Security in Test Group Three in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

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

(i) - (iii) Unchanged

(iv) Executions of a customer order to comply with Article 9, Rule 17 following the execution of a proprietary trade by the Exchange[CHX] Participant at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

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

(i) Absent any of the exceptions listed in subparagraph (D)(ii) below, no Exchange[CHX] Participant that operates a Trading Center may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer during regular trading hours (“Trade-at Prohibition”). Under the Trade-at Prohibition, an Exchange[CHX] Participant that operates a Trading Center that is displaying a quotation, via either a processor or an SRO quotation feed, that is at a price equal to the traded-at Protected Bid or Protected Offer is permitted to execute orders at that level, but only up to the amount of its displayed size. An Exchange[CHX] Participant that operates a Trading Center that was not displaying a quotation at a price equal to the traded-at Protected Quotation, via either a processor or an SRO quotation feed, is prohibited from price-matching protected quotations unless an exception applies.

(ii) An Exchange[CHX] Participant that operates a Trading Center may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer under the following circumstances:

(a) The order is executed within the same independent aggregation unit of the Exchange[CHX] Participant that operates the Trading Center that displayed the quotation via either a processor or an SRO Quotation Feed, to the extent such Exchange[CHX] Participant uses independent aggregation units, at a price equal to the traded-at Protected Quotation that was displayed before the order was received, but only up to the full displayed size of that independent aggregation unit’s previously displayed quote. A Trading Center that is displaying a quotation as

agent or riskless principal may only execute as agent or riskless principal and a Trading Center displaying a quotation as principal (excluding riskless principal) may execute as principal, agent or riskless principal. “Independent aggregation unit” has the same meaning as provided under Rule 200(f) of SEC Regulation SHO;

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••• *Interpretations and Policies:*

.01 Unchanged

.02 No Exchange[CHX] Participant shall break an order into smaller orders or otherwise effect or execute an order to evade the requirements of the Trade-at Prohibition of this Rule or any other provisions of the Plan.

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(b) Compliance with Data Collection Requirements

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

(2) Trading Centers Data Requirements

(A) Certain Exchange[CHX] Participant Trading Centers

(i) An Exchange[CHX] Participant that operates a Trading Center subject to the Tick Size Pilot Program, and for which the Exchange is the designated examining authority (“DEA”), shall collect and transmit to the Exchange data described in Items I and II of Appendix B to the Plan with respect to:

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(ii) Each Exchange[CHX] Participant that operates a Trading

Center subject to the Tick Size Pilot Program, and for which the Exchange is the DEA, shall comply with their collection and transmission obligations under Items I and II of Appendix B to the Plan and this Rule through their submission of all data elements required pursuant to Article 11, Rule 3, as well as the following additional data elements, when an order in a Pilot Security or Pre-Pilot Data Collection Security is received or originated:

(a) Whether the Exchange[CHX] Participant is a Trading Center in either the Pilot Security or the Pre-Pilot Data Collection Security; and

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(iii) When an order in a Pilot Security or Pre-Pilot Data Collection Security is executed, each Exchange[CHX] Participant subject to this paragraph (b)(2)(A) shall comply with its collection and transmission obligations under Items I and II of Appendix B to the Plan and this Rule by identifying whether Exchange[CHX] Participant is relying upon the Retail Investor Order exception with respect to the execution of the order.

(iv) Each Exchange[CHX] Participant that operates a Trading Center subject to the Tick Size Pilot Program, and for which the Exchange is the DEA, shall submit data required under paragraph (b)(2)(A) by 8:00 a.m. CST the calendar day following the reportable event.

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(B) Exchange[CHX] Trading Center

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

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(ii) The Exchange shall make such data publicly available on the

Exchange web site within 120 days following month end at no charge and shall not identify the Exchange[CHX] Participant that generated the data.

(3) Daily Market Maker Participation Statistics Requirement

(A) An Exchange[CHX] Participant that is a Market Maker shall collect and transmit to their DEA data relating to Item IV of Appendix B of the Plan, with respect to activity conducted on any Trading Center in Pre-Pilot Securities and Pilot Securities in furtherance of its status as a Market Maker, including a Trading Center that executes trades otherwise than on a national securities exchange, for transactions that have settled or reached settlement date. Market Makers shall transmit such data in a format required by their DEA by 12:00 p.m. EST on T+4:

\*\*\*\*\*

(B) An Exchange[CHX] Participant that is a Market Maker whose DEA (i) is not a Participant to the Plan (“Plan Participant”) or (ii) is the Exchange shall transmit the data collected pursuant to paragraph (3)(A) above to FINRA, in a manner as prescribed by FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 in accordance with paragraphs (3)(A)(i) and (ii) above.

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(4) Market Maker Profitability

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

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(B) An Exchange[CHX] Participant that is a Market Maker whose DEA (i) is not a Plan Participant or (ii) is the Exchange shall transmit the data collected pursuant to paragraph (4)(A) above to FINRA, in a manner as prescribed FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in accordance with paragraphs (4)(A)(i) and (ii) above.

(C) The Exchange, as DEA, shall collect the data required by Item I of Appendix C to the Plan and paragraph (b)(4)(A) above for those Exchange[CHX] Participants that are Market Makers for which the Exchange is the DEA, and on a monthly basis transmit such data, categorized by the Control Group and each Test Group, to the SEC in a pipe delimited format. The Exchange, as DEA, shall also make the data collected pursuant to paragraph (b)(4)(A) available to FINRA for aggregation and publication, categorized by the Control Group and each Test Group, on the FINRA website pursuant to FINRA Rules.

(5) Market Maker Registration Statistics. The Exchange shall collect and transmit to the SEC the data described in Item III of Appendix B of the Plan relating to daily Market Maker registration statistics in a pipe delimited format within 30 calendar days following month end and the Exchange shall make such data publicly available on the Exchange[CHX] website within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data:

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••• *Interpretations and Policies:*

**.01 - .02**        Unchanged

**.03**    For purposes of Appendix B.I, the field “Affected by Limit-Up Limit-Down bands” shall be included. A Trading Center shall report a value of “Y” to their DEA when the ability of an order to execute has been affected by the Limit-Up Limit-Down (LULD) bands in effect at the time of order receipt. A Trading Center shall report a value of “N” to their DEA when the ability of an order to execute has not been affected by the LULD bands in effect at the time of order receipt. For purposes of Appendix B.I, the Plan Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) fully executed domestically or (2) fully or partially executed on a foreign market. For purposes of Appendix B.II, the Plan Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) directed to a domestic venue for execution; (2) may only be directed to a foreign venue for execution; or (3) fully or partially directed to a foreign venue at the discretion of the Exchange[CHX] Participant.

**.04 - .06**        Unchanged

**.07**    An Exchange[CHX] Participant shall not be deemed a Trading Center for purposes of Appendix B of the Plan where that Exchange[CHX] Participant only executes orders otherwise than on a national securities exchange for the purpose of: (i)

correcting a bona fide error related to the execution of a customer order; (ii) purchases a security from a customer at a nominal price solely for purposes of liquidating the customer's position; or (iii) completing the fractional share portion of an order.

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(c) Operation of Certain Order Types and Modifiers for Pilot Securities

(1) Exchange[CHX] Only orders. In Test Group Three, an incoming Exchange[CHX] Only buy order priced at or through the current NBO shall be price slid to be executable and displayable at one minimum price variation below the current NBO and an incoming Exchange[CHX] Only sell order priced at or through the current NBB shall be price slid to be executable and displayable at one minimum price variation above the current NBB. Thereafter, in Test Group Three, a price slid Exchange[CHX] Only order shall continue to be price slid and executable at its displayed price pursuant to Article 1, Rule 2(b)(1)(C)(i)(b) or Rule 2(b)(1)(C)(ii)(b), as applicable.

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**ARTICLE 22. Listed Securities**

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**Rule 2. Admittance to Listing**

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• • • *Interpretations and Policies:*

**.01 Instructions for the Preparation of an Original Listing Application**

DOCUMENTS NEEDED

An original listing application to the Exchange shall consist of one copy of the following:

- (a) - (g) Unchanged
- (h) Specimens of Stock Certificates.

Certificates must be prepared by a banknote company which has been approved by the Exchange. Exchange standards require a steel engraved border. The face of the certificate



may be engraved or surface printed. One copy of each type of form, indelibly marked "Specimen," shall be filed.

#### LISTING FEE

The initial listing fee is \$15,000 for each issue of common stock and \$2,500 for each issue of preferred stock or Rights of Purchase Plans regardless of the number of shares covered by the application. An annual maintenance fee of \$1 per 20,000 shares is thereafter charged to maintain the listing. The minimum annual maintenance fee is \$1,250 per issue, with an annual maximum maintenance fee of \$5,000.

#### TIME SCHEDULE

Processing and approval of an original application will require from one to two weeks from date of receipt. The Exchange certifies its approval to the Securities and Exchange Commission. The Securities Exchange Act of 1934 provides that registration becomes effective thirty days after receipt by the Commission of this certification of the Exchange, unless effectiveness is accelerated by Order of the Commission.

#### INFORMATION

The Exchange recommends that the eligibility of an issue for listing be discussed on an informal basis with the Listing Department prior to the preparation of a formal application. Any such discussion will be confidential and without obligation. Questions and requests for additional information and forms should be directed to the Listing Department, NYSE Chicago [ Stock Exchange ], 440 S. LaSalle Street, Chicago, IL 60605.

#### **.02 Supplemental Listing Requirements**

One copy of this application should be accompanied by the following:

(a) – (f) Unchanged

(g) Check payable to NYSE Chicago, Inc. [the Chicago Stock Exchange, Incorporated] covering the supplemental listing fee: \$.005 per share for all additional shares listed. The minimum fee per application shall be \$250 with a maximum fee per application of \$7,500. The aggregate supplemental listing fees during any twelve month period shall not exceed \$15,000.

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## **Rule 19. Corporate Governance**

The following Rule 19 applies to Tier I issuers:

(a) – (l) Unchanged

(m) Shareholder Approval. Each issuer shall require shareholder approval prior to the issuance of designated securities under (1), (2), (3) or (4) below:

(1) – (4) Unchanged

(5) Exceptions may be made upon application to the Exchange when:

(A) the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise and;

(B) reliance by the company on this exception is expressly approved by the [Audit Committee of the ]Board or a comparable body.

A company relying on this exception must mail to all shareholders no later than ten days before issuance of the securities, a letter alerting them to its omission to seek the shareholder approval that would otherwise be required and indicating that the [Audit Committee of the ]Board or a comparable body has expressly approved the exception.

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## **ARTICLE 23. Consolidated Audit Trail**

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### **Rule 13. Consolidated Audit Trail – Fee Dispute Resolution**

(a) Definitions.

(1) – (2) Unchanged

(3) “CAT Fee” means any fees contemplated by the CAT NMS Plan and imposed on Industry Members pursuant to the[CHX] Rules.

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