SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-71408; File No. SR-NYSEMKT-2014-08)

January 27, 2014

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing of Proposed Rule Change Amending Various Sections of Both the Limited Liability Company Agreement of NYSE Amex Options LLC Dated as of June 29, 2011 and the Members Agreement Dated as of June 29, 2011 By and Among the Company, NYSE MKT, NYSE Euronext, Banc of America Strategic Investments Corporation, Barclays Electronic Commerce Holdings Inc., Citadel Securities LLC, Citigroup Financial Strategies, Inc., Goldman, Sachs & Co., Datek Online Management Corp. and UBS Americas Inc. In Order to Make Certain Technical Changes Within the Aforementioned Agreements

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on January 14, 2014, NYSE MKT LLC ("NYSE MKT" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to various sections of both the Limited Liability Company Agreement of NYSE Amex Options LLC (the "Company") dated as of June 29, 2011 (as amended,[3] the "LLC Agreement") and the Members Agreement dated as of June 29, 2011 by

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1 15 U.S.C.78s(b)(1).

2 17 CFR 240.19b-4.

3 See Securities Exchange Act Release No. 34-69388 (April 17, 2013), 78 FR 23963 (Notice of filing and immediate effectiveness of a proposed rule change amending the Members' Schedule of NYSE Amex Options LLC in order to reflect changes to the capital structure of the Company); Securities Exchange Act Release No. 34-67702 (August 21, 2012), 77 FR 51837 (Notice of filing and immediate effectiveness of a proposed rule change amending the NYSE Amex Options LLC Limited Liability Company Agreement to eliminate certain restrictions relating to the qualification of Founding Firm Advisory Committee Members); Securities Exchange Act Release No.

and among the Company, NYSE MKT, NYSE Euronext, Banc of America Strategic Investments Corporation, Barclays Electronic Commerce Holdings Inc., Citadel Securities LLC, Citigroup Financial Strategies, Inc., Goldman, Sachs & Co., Datek Online Management Corp. and UBS Americas Inc. (collectively, excluding the Company, NYSE MKT and NYSE Euronext, the "Founding Firms") (as amended,[4] the "Members Agreement") in order to make certain technical changes within the aforementioned agreements (the "Proposed Rule Change"). The text of the proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

34-67902 (September 21, 2012), 77 FR 59423 (Order granting approval of a proposed rule change amending the Members' Schedule of NYSE Amex Options LLC in order to reflect changes to the capital structure of the Company); Securities Exchange Act Release No. 34-67569 (August 1, 2012), 77 FR 47138 (Notice of filing of a proposed rule change amending the Members' Schedule of NYSE Amex Options LLC in order to reflect changes to the capital structure of the Company).

4 See Securities Exchange Act Release No. 34-69247 (March 27, 2013), 78 FR 19777 (Notice of filing and immediate effectiveness of a proposed rule change to modify the NYSE Amex Options LLC fee schedule to establish fees for mini-options contracts). Certain provisions of the Members Agreement related to the Volume-Based Equity Plan were duly amended by the Board on August 30, 2012. Changes to the Volume-Based Equity Plan do not constitute proposed rule changes within the meaning of Section 19(b)(1) of the Act and Rule 19b-4 thereunder. See Securities Exchange Act Release No. 34-64742 (June 24, 2011), 76 FR 38436, 38443.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On June 29, 2011, the Exchange, its ultimate parent NYSE Euronext and the Founding Firms formed the Company. The Company operates an electronic trading facility (the "Options Exchange") that engages in the business of listing for trading options contracts permitted to be listed on a national securities exchange (or facility thereof) and related activities. The Company operates pursuant to the LLC Agreement and the Members Agreement. The Exchange proposes to make technical amendments to various sections of both the LLC Agreement and the Members Agreement as further described herein.[5]

Summary

The Exchange proposes to make certain technical modifications and clarifications to certain provisions of the LLC Agreement and the Members Agreement. Specifically, the Exchange proposes to make amendments that clarify:

(1) differences between voting entitlements and economic entitlements associated with Common Interests, where appropriate;

(2) provisions of the LLC Agreement and the Members Agreement related to the capital structure of the Company;

(3) provisions of the LLC Agreement related to capital calls to provide greater specificity as to the matters to be decided by the board of directors of the Company (the "Board") in connection with a capital call and as to matters

[5] All capitalized terms used in this Proposed Rule Change that are not otherwise defined in this Proposed Rule Change shall have the meanings specified in the Amended LLC Agreement or Amended Members Agreement, as applicable.

surrounding oversubscription and the issuance of Common Interests in connection with capital calls;

(4) provisions of the LLC Agreement related to ownership limitations to clarify the mechanism for maintaining compliance with applicable laws and regulations;

(5) provisions of the LLC Agreement related to royalty payments to clarify the effect of such payments on the Capital Account of NYSE MKT;

(6) provisions of the LLC Agreement related to distributions with respect to equity interests to clarify how the amounts of annual distributions to Members are determined;

(7) provisions of the LLC Agreement related to restricted member elections to clarify the circumstances under which a Member may become a Restricted Member;

(8) provisions of the LLC Agreement related to the composition of the Board to clarify the mechanism by which the Board may increase in size;

(9) provisions of the LLC Agreement related to the Founding Firm Advisory Committee to clarify the mechanism by which the Founding Firm Advisory Committee may increase in size;

(10) provisions of the LLC Agreement governing a Member's obligations with respect to the treatment of Confidential Information in order to clarify the scope of such policies and procedures;

(11) provisions of the LLC Agreement and Members Agreement related to transfers of Common Interests to clarify the mechanics by which Common

Interests may be transferred, including the mechanics by which Common Interests may be converted into Non-voting Common Interests (and then converted back to Common Interests, when and as applicable) and applicable time periods for effecting transfers;

(12) provisions of the Members Agreement related to the Volume-Based Equity Plan to clarify (i) the mechanism by which the Volume Dispute Committee may increase in size and (ii) the calculation of Industry Volume and the determination whether a Founding Firm has achieved its Individual Target;[6] and

(13) provisions of the Members Agreement related to the determination of fair market value of a Member's Common Interests and of the Company to clarify how such fair market value is determined under various circumstances.

In addition, the Exchange proposes to make several typographical corrections.

The technical modifications described herein are not intended to substantively change the relevant provisions set forth in either the LLC Agreement or the Members Agreement, but only to ensure that, from a technical perspective, the LLC Agreement and Members Agreement clearly reflect the original intentions of the parties to those agreements.

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6 Changes to the Volume-Based Equity Plan do not constitute proposed rule changes within the meaning of Section 19(b)(1) of the Act and Rule 19b-4 thereunder. See Securities Exchange Act Release No. 34-64742 (June 24, 2011), 76 FR 38436, 38443. The changes to these provisions are being made simultaneously with the other changes described herein for convenience and are described here in the interest of completeness.

Economic and Voting Common Interests

As a limited liability company, ownership of the Company is represented by limited liability company interests in the Company ("Interests"). The Interests represent equity interests in the Company and entitle the holders thereof to participate in the Company's allocations and distributions. The Interests are divided into preferred non-voting interests ("Preferred Interests"), Class A Common Interests and Class B Common Interests.

The holders of Interests are referred to as members of the Company ("Members"). The LLC Agreement designates Members as either Class A Members or Class B Members. Generally, Class A Members and Class B Members are distinguishable in that Class A Members hold Class A Common Interests and Class B Members hold Class B Common Interests.

Class A Common Interests and Class B Common Interests are not intended to be directly fungible (meaning that one Class A Common Interest does not represent the equivalent entitlements of one Class B Common Interest). This dissimilarity results from the operation of the Volume-Based Equity Plan, as set forth in Article II of the Members Agreement, pursuant to which, each year (until 2015, unless extended by the Board) the Company may issue additional Class B Common Interests as Incentive Shares without at the same time issuing new Class A Common Interests. These Incentive Shares would be allocated among the Class B Members based on each Class B Member's contribution to the volume of the Exchange relative to an Individual Target, which would have the effect of changing the relative economic and voting rights among the Class B Members. However, Incentive Shares have no effect on the relative economic and voting rights as between Class A Members (in the aggregate) and Class B Members (in the aggregate). As a result, the aggregate number of Class B Common Interests may increase while the relative economic or voting rights of Class B Members (in the aggregate)

vis-à-vis Class A Members (in the aggregate) remain unchanged. The overall impact of the issuance of Incentive Shares, then, is to dilute the value of each Class B Common Interest relative to each Class A Common Interest.

Certain provisions of the LLC Agreement prohibit Members from owning or voting Interests in excess of applicable regulatory thresholds (as discussed in Sections 4.9 and 7.5 of the LLC Agreement). If a Member exceeds such thresholds, it may be necessary to separate the economic and voting entitlements associated with such Member's Interests (in addition to limiting entitlements to the relevant thresholds). To account for such situations, a Member's Common Interests represent separate entitlements to net profits, net losses and distributions (an "Economic Common Interest Percentage"[7]) and entitlements to vote (a "Voting Common Interest Percentage"[8]).

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[7] "Economic Common Interest Percentage" is defined in the Amended LLC Agreement to mean, at any time, (A) with respect to the Common Interests owned by one or more Class A Member(s), the product of (w) the Aggregate Class A Economic Allocation multiplied by (x) a fraction, (1) the numerator of which shall be the number of Class A Common Interests then held by such Class A Member(s) (including any Class A Non-voting Common Interests) and (2) the denominator of which shall be the number of Class A Common Interests then owned by all Class A Members (including any Class A Non-voting Common Interests), and (B) with respect to the Common Interests owned by one or more Class B Member(s), the product of (y) the Aggregate Class B Economic Allocation multiplied by (z) a fraction, (1) the numerator of which shall be the number of Class B Common Interests then owned by such Class B Member(s) (including any Class B Non-voting Common Interests) and (2) the denominator of which shall be the number of Class B Common Interests then owned by all Class B Members (including any Class B Non-voting Common Interests).

[8] "Voting Common Interest Percentage" is defined in the Amended LLC Agreement to mean, at any time, (A) with respect to the Common Interests owned by one or more Class A Member(s), the product of (w) the Aggregate Class A Voting Allocation multiplied by (x) a fraction, (1) the numerator of which shall be the number of Class A Common Interests then owned by such Class A Member(s) excluding any Class A Non-voting Common Interests and (2) the denominator of which shall be the number of Class A Common Interests then owned by all Class A Members excluding all Class A Non-voting Common Interests, and (B) with respect to Common Interests owned by one or more Class B Member(s), the product of (y) the Aggregate Class B Voting Allocation

By way of example, consider a Class B Member that is subject to a hypothetical regulatory restriction that prevents it from holding greater than a 15% voting interest in the Company. If such Class B Member earned Incentive Shares by operation of the Volume-Based Equity Plan that would bring its Economic Common Interest Percentage and Voting Common Interest Percentage to 18%, it would need to convert some of its Class B Common Interests into Non-voting Common Interests.[9] Following such a conversion, the Class B Member would hold Class B Common Interests (some of which would be Non-voting Common Interests) representing a Voting Common Interest Percentage of 15% and an Economic Common Interest Percentage of 18%.

As a result of this potential deviation between a Member's economic entitlement and its voting entitlement, it is appropriate, in certain circumstances, to refer to either a Member's Voting Common Interest Percentage or its Economic Common Interest Percentage. For example, a Member's participation in a capital call would be based on its Economic Common Interest Percentage rather than its Voting Common Interest Percentage. As further discussed below, however, the restriction on a Member's ability to own or vote Common Interests representing an Economic Common Interest Percentage or a Voting Common Interest Percentage in excess of nineteen and nine-tenths percent (19.9%) will continue to apply (other than to NYSE MKT alone, or, subject to appropriate SEC approval, together with its Permitted Transferees), so

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multiplied by (z) a fraction, (1) the numerator of which shall be the number of Class B Common Interests then owned by such Class B Member(s) excluding any Class B Non-voting Common Interests and (2) the denominator of which shall be the number of Class B Common Interests then owned by all Class B Members excluding all Class B Non-voting Common Interests.

9 The mechanics for how Common Interests may be converted into Non-voting Common Interests are included in proposed Section 11.2(c) of the Amended LLC Agreement and are discussed in greater detail under the heading "Transfers of Interests – Converting Common Interests to Non-voting Common Interests."

that no such Member's Economic Common Interest Percentage or Voting Common Interest Percentage will be permitted to exceed nineteen and nine-tenths percent (19.9%).

Under the existing agreements, various provisions refer to a Member's "Common Interest Percentage" to denote a Member's ownership interest in the Company. The term is meant to capture the percentage of economic or voting rights represented by the absolute number of Common Interests held by such Member. However, because (i) the term "Common Interest Percentage" does not, in all cases, properly convey the distinction between a Member's voting entitlement and its economic entitlement and (ii) various sections refer to an absolute number of Common Interests rather than a relative percentage, the Exchange proposes to amend the references to a Member's Common Interests or Common Interest Percentage in Sections 1.1, 4.3, 4.4, 4.5, 4.9, 5.1, 5.2, 5.3, 5.4, 6.1, 7.5, 8.1, 9.1, 9.2, 10.3, 11.2, 11.3, 11.5, 11.8, 12.2, 12.4, 12.5, 13.2, 16.10 and Schedule 8.1(i)(v) of the LLC Agreement and Sections 1.1, 2.1, 3.2, 3.3, 3.4, 4.1 and 5.10 of the Members Agreement to more directly specify when the entitlement being referred to is the Member's economic entitlement rather than its voting entitlement and vice versa.

Capital Structure

Sections 4.1 and 10.1 of the LLC Agreement describe the capital structure of the Company. Since the formation of the Company, the Company has entered into five transactions that have altered its capital structure: (i) the admission of NYSE Market, Inc. ("NYSE Market") as a Member of the Company in conjunction with the transfer of Common Interests by the Founding Firms to NYSE Market on September 19, 2011 pursuant to Sections 10.4 and 11.1 of the LLC Agreement and Section 3.2 of the Members Agreement, (ii) the issuance of Annual Incentive Shares to the Founding Firms on February 29, 2012 pursuant to Section 2.1 of the

Members Agreement (iii) the transfer of Common Interests by the Founding Firms to NYSE Market on October 1, 2012 pursuant to Article XI of the LLC Agreement and Section 3.1 of the Members Agreement, (iv) the issuance of Annual Incentive Shares to the Founding Firms on February 28, 2013 pursuant to Section 2.1 of the Members Agreement and (v) the transfer of Common Interests by the Founding Firms to NYSE Market on April 2, 2013 pursuant to Article XI of the LLC Agreement and Section 3.1 of the Members Agreement. All five transactions, along with the resultant changes to the Company's Members' Schedule, have been approved by the SEC.[10]

The Exchange proposes to amend the preamble, Sections 4.1, 10.1, 10.2 and 10.4 and Schedule A of the LLC Agreement to eliminate references to historical capital contributions and to provide, instead, a description of the Company's capitalization as it currently stands. The Exchange also proposes to amend the cover page and the preamble of the Members Agreement to provide context for the execution of the Amended Members Agreement.

In addition, the Exchange proposes to amend the definition of the term "Effective Date" in Section 1.1 of the LLC Agreement to provide that the LLC Agreement and Members

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[10] See Securities Exchange Act Release No. 34-69388 (April 17, 2013), 78 FR 23963 (Notice of filing and immediate effectiveness of a proposed rule change amending the Members' Schedule of NYSE Amex Options LLC in order to reflect changes to the capital structure of the Company) ("Release No. 34-69388"); Securities Exchange Act Release No. 34-67902 (September 21, 2012), 77 FR 59423 (Order granting approval of a proposed rule change amending the Members' Schedule of NYSE Amex Options LLC in order to reflect changes to the capital structure of the Company); see also Securities Exchange Act Release No. 34-67569 (August 1, 2012), 77 FR 47138 (Notice of filing of a proposed rule change amending the Members' Schedule of NYSE Amex Options LLC in order to reflect changes to the capital structure of the Company).

The Commission notes that the transactions and corresponding changes to the Company's governing documents that were the subject of Release No. 34-69388 (April 17, 2013) were filed pursuant to Section 19(b)(3)(A)(iii) of the Exchange Act (15 U.S.C. 78s(b)(3)(A)(iii)) and Rule 19b-4(f)(6) thereunder (17 CFR 240.19b-4(f)(6)). As a result, that filing was not approved by the Commission; rather, it became immediately effective upon filing.

Agreement are only effective with respect to a Person as of the time such Person becomes a Member of the Company. Relatedly, the Exchange proposes to replace the term "Effective Date" with the term "Initial Effective Date" in the preamble, Sections 1.1, 4.3, 4.4, 4.8, 8.1, 8.3, 8.6, 11.8, 14.1, 14.2, 16.2, 16.3 and Schedule 8.1(i)(v) of the Amended LLC Agreement and Sections 3.4, 5.3, 5.13 and Schedule 5.3 of the Amended Members Agreement in order to clarify that time periods in the Amended LLC Agreement and the Amended Members Agreement that are based on the date the LLC Agreement and Members Agreement were originally executed remain unchanged.

Because the admission of NYSE Market results in there now being more than one Class A Member, the Exchange proposes to amend Section 3.3 of the Members Agreement to clarify that it applies to transfers by NYSE MKT as well as any other Person that is or becomes a Class A Member. Similarly, to account for there being more than one Class A Member, the Exchange proposes to amend Section 10.2(b) of the LLC Agreement to clarify that Class A Common Interests will be owned only by NYSE MKT and its Permitted Transferees such as NYSE Market, its affiliate. Furthermore, to account for the possibility of more than one Person holding Preferred Interests, the Exchange proposes to amend the definition of "Priority Claim" in Section 1.1 of the LLC Agreement to clarify that distributions to owners of Preferred Interests shall be accomplished on a pro rata basis in accordance with the number of Preferred Interests owned by each such owner.[11]

In addition, as NYSE Market is an affiliate of NYSE MKT, the Exchange proposes to amend Sections 1.1, 8.1 and 11.2 of the LLC Agreement and Sections 3.3 and 3.4 of the

[11] Note that NYSE MKT is currently the only holder of Preferred Interests and it is not currently anticipated that any Preferred Interests will be issued to any other Person.

Members Agreement to clarify that these provisions apply to NYSE MKT as well as NYSE MKT's Affiliates.

Finally, the Exchange proposes to amend the LLC Agreement and the Members Agreement in their entirety to change references to NYSE Amex to NYSE MKT.

Capital Calls

Pursuant to Sections 4.3, 4.4 and 4.5 of the LLC Agreement, Members may be subject to both regulatory and voluntary capital calls. Generally, capital calls may be issued by the Board from time to time subject to certain limitations. In connection with a voluntary capital call, participating Members are entitled to have their respective Economic Common Interest Percentages and Voting Common Interest Percentages increased in respect of their capital contributions, while the Economic Common Interest Percentages and Voting Common Interest Percentages of non-participating Members are accordingly reduced.

To further specify the mechanics of a capital call and related capital contributions, the Exchange proposes to amend Sections 4.3, 4.4 and 4.5 of the LLC Agreement. First, the Exchange proposes to amend Sections 4.3 and 4.4 to require the Board to specify certain items in connection with a capital call. Specifically, the Exchange proposes to require that the Board specify: the aggregate amount of the capital call, the date by which a capital contribution in respect of the capital call must be made, the fair market value of the Company with respect to such capital call (without giving effect to any capital contributions in respect of such capital call), the Per Common Interest FMV[12] with respect to such capital call (without giving effect to

[12] "Per Common Interest FMV" is proposed to be defined in the Amended LLC Agreement to mean, with respect to any regulatory or voluntary capital call, (A) with respect to a Class A Common Interest, the quotient of (I) the product of (x) the FMV of the Company with respect to such Regulatory Capital Call or Voluntary Capital Call, as applicable, multiplied by (y) the Aggregate Class A Economic Allocation divided by (II) the total

any capital contributions in respect of such capital call) and such other matters as the Board may determine.

The Exchange also proposes to amend Section 4.4 of the LLC Agreement in order to clarify that, should a participating Member (or class of Members) oversubscribe to a voluntary capital call, appropriate adjustments will be made to the Economic Common Interest Percentages and Voting Common Interest Percentages of the affected Members. To effect these adjustments, Section 4.4 of the Amended LLC Agreement provides that: (1) appropriate adjustments shall be made to the Aggregate Class A Economic Allocation, Aggregate Class A Voting Allocation, Aggregate Class B Economic Allocation and Aggregate Class B Voting Allocation, (2) the Company shall issue Class A Common Interests or Class B Common Interests as necessary to the relevant Members, and (3) the Members' Schedule shall be adjusted accordingly. Any such adjustments will be subject to regulatory limitations including those contained in Section 4.9 of the Amended LLC Agreement. The Exchange proposes to further clarify that if each Member contributes its pro rata share of a voluntary capital call, such that no adjustments need be made to any Member's Economic Common Interest Percentage or Voting Common Interest Percentage, no new Common Interests shall be issued to any Member in connection with such voluntary capital call.

In addition, the Exchange proposes to amend Section 4.5(b) of the LLC Agreement to clarify the consequences of a Member failing to fund either (x) its pro rata portion of a regulatory capital call or (y) if the Member has committed to participate in a voluntary capital call, its

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number of issued and outstanding Class A Common Interests at such time; (B) with respect to a Class B Common Interest, the quotient of (I) the product of (x) the FMV of the Company with respect to such Regulatory Capital Call or Voluntary Capital Call, as applicable, multiplied by (y) the Aggregate Class B Economic Allocation divided by (II) the total number of issued and outstanding Class B Common Interests at such time.

portion of the voluntary capital call (such Member, a "Non-Funding Member" and the amount it fails to contribute, its "Requested Amount"). Generally, the Board has the right to transfer the Common Interests a Non-Funding Member would have received had it participated in a regulatory or voluntary capital call ("Non-Funded Interests") to the existing Members of the Company or, should the Members not purchase all of the Non-Funded Interests, to a Person who is not a Member.

The Exchange proposes to amend the proviso to Section 4.5(b) of the LLC Agreement by adding three provisions. First, clause (C) of the proviso to Section 4.5(b) of the Amended LLC Agreement provides that the aggregate number of Non-Funded Interests shall be equal to the quotient of (i) the Requested Amount divided by (ii) the relevant Per Common Interest FMV.

In addition, the Exchange proposes to add clause (D) of the proviso to Section 4.5(b) of the Amended LLC Agreement to clarify that, with respect to a regulatory capital call, each Member that is not a Non-Funding Member shall be entitled to receive a number of new Class A Common Interests or Class B Common Interests, as applicable, equal to the quotient of (i) such Member's regulatory capital contribution divided by (ii) the applicable Per Common Interest FMV. In addition, the Capital Account of each such Member shall be increased by the sum of its regulatory capital contribution plus the amount of the regulatory capital contribution attributable to the Non-Funded Interests acquired by such Member. This provision is designed to mirror Section 4.4(e) of the Amended LLC Agreement. Thus, under the Amended LLC Agreement, a regulatory capital call in which not all Members fully participate (by making capital contributions on a pro rata basis) would be treated similarly to a voluntary capital call in which the Members do not all participate on a pro rata basis.

Finally, the Exchange proposes to add clause (E) of the proviso to Section 4.5(b) of the Amended LLC Agreement to provide that a Member that acquires Non-Funded Interests will be entitled to receive additional Class A Common Interests or Class B Common Interests, as applicable, to supplement those Common Interests that such Member was entitled to receive pursuant to either Section 4.4(e) of the Amended LLC Agreement (in the case of a voluntary capital call) or clause (D) described above (in the case of a regulatory capital call) by virtue of having made its initial contribution to the relevant capital call.

Example 4 in Exhibit 5C demonstrates the operation of these provisions.

Ownership Limitations

Section 4.9 of the LLC Agreement provides a mechanism by which Members who exceed certain regulatory thresholds with respect to ownership or voting entitlements may come into compliance with the applicable regulatory framework.

The Exchange proposes to clarify that a Member may be subject to the provisions of Section 4.9 (such a Member, an "Exceeding Member") either as a result of a regulatory threshold applicable directly to the Member's holdings of Common Interests or as a result of regulations applicable to the Company that operate to impose a regulatory threshold on each Member's holdings of Common Interests. Specifically, the Exchange proposes to clarify that a Member's "Alternative Maximum Percentage" is the lower of (1) the maximum Voting Common Interest Percentage or Economic Common Interest Percentage such Member (alone or together with its Affiliates) may own or vote under applicable Law or (2) the maximum Voting Common Interest Percentage or Economic Common Interest Percentage such Member (alone or together with its Affiliates) may own or vote without subjecting the Company to material regulatory obligations

or material liabilities or a reasonable likelihood of material regulatory obligations or material liabilities arising as a result of the extent of such ownership or voting interest.

In addition, the Exchange proposes to amend Section 4.9 to clarify the mechanics by which ordinary Common Interests may be converted into Non-voting Common Interests pursuant to Section 11.2(c) of the Amended LLC Agreement, as described below under the heading "Transfers of Interests".

The proposed changes do not have any effect on the restrictions on a Member's ability to own or vote Common Interests representing an Economic Common Interest Percentage or a Voting Common Interest Percentage in excess of nineteen and nine-tenths percent (19.9%).

Royalty Payments

Pursuant to Section 4.10 of the LLC Agreement, NYSE MKT is required to make a capital contribution to the Company in the event that certain royalty fees are invoiced to the Company pursuant to the NYSE Euronext Agreement. The amount of this capital contribution is required to be equal to the amount of this royalty fee.

The Exchange proposes to amend Section 4.10 of the LLC Agreement to clarify that the amount of any such capital contribution shall increase the capital account of NYSE MKT and the amount of any such royalty fee shall decrease the capital account of NYSE MKT.

Distributions

Pursuant to Section 6.1 of the LLC Agreement, the Board is obligated to distribute annually the Company's Available Cash[13] to the holders of Preferred Interests and to the other Members.

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13 "Available Cash" is defined in the LLC Agreement to mean, with respect to a distribution pursuant to Section 6.1 of the LLC Agreement, cash (excluding cash in the redemption reserve) held by the Company at the time of such distribution that both (i) is not required

The Exchange proposes to amend Section 6.1 of the LLC Agreement to clarify that the amounts of distributions of Available Cash to each Member shall be calculated on an "accrual" basis, which shall be measured on the basis of the calendar year period during which the Members actually own their respective Common Interests, in accordance with the Amended LLC Agreement or otherwise as the Members may agree.[14]

Restricted Members

Section 7.5 of the LLC Agreement provides a mechanism by which a Member who owns Interests in excess of such Member's Alternative Maximum Percentage or who owns an Interest entitling such Member to distributions in excess of such Member's maximum percentage of the distributions (a "Capped Distribution Amount") then being made to all Members may, from time to time, make an election (a "Restricted Member Election"), by written notice to the Company, to be treated for purposes of the LLC Agreement as a "Restricted Member," solely with respect to its Excess Interest Percentage or Capped Distribution Amount.

Any Class B Member, even one who does not own Interests in excess of such Member's Alternative Maximum Percentage, may make a Restricted Member Election. The Exchange proposes to amend Section 7.5(a) to clarify that the restricted member provisions only apply to Class B Members. The Exchange also proposes to amend Section 7.5(a) to clarify that, in those

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for the operations of the Company based on the annual budget of the Company for such year, and (ii) the Board determines in good faith is not required for (A) the payment of liabilities or expenses of the Company or (B) the setting aside of reserves to meet the anticipated cash needs of the Company.

[14] By way of example, assume a Member holds Common Interests representing an Economic Common Interest Percentage of 10% on January 1, 2012. Assume further that this Member divests itself of 10% of its Common Interests on March 31, 2012, so that its Economic Common Interest Percentage is reduced to 9%. At the time of the distribution of Available Cash, the Member shall be entitled to more than 9% of such distribution, to reflect the fact that the Member held 10% for the period from January 1, 2012 through March 31, 2012.

circumstances where a Restricted Member may reverse its election, it may do so in whole or in part.

The Exchange proposes to amend Section 7.5(b) of the LLC Agreement and delete Section 7.5(d) of the LLC Agreement in order to clarify the circumstances under which a Class B Member that has not exceeded its Alternative Maximum Percentage may become a Restricted Member. Specifically, the Exchange proposes to amend Section 7.5(b) of the LLC Agreement to clarify that a Class B Member may make a Restricted Member Election with respect to any of its Class B Common Interests, even if such Class B Common Interests do not represent an Excess Interest Percentage; provided that (1) such Class B Member may only reverse such election under the circumstances described in Section 7.5(a)(iii)(C) of the Amended LLC Agreement and (2) the Voting Common Interest Percentage represented by such Class B Common Interests shall be deemed to be an "Excess Interest Percentage" (and such Class B Member shall be treated as a Converting Member with respect thereto) unless and until such Class B Member reverses the Restricted Member Election under the circumstances described in Section 7.5(a)(iii)(C) of the Amended LLC Agreement.

Composition of the Board

Pursuant to Section 8.1(d) of the LLC Agreement, subject to certain restrictions, each Member is entitled to appoint Directors to serve on the Board. Generally, each Founding Firm, subject to certain restrictions, is entitled to appoint one (1) Director and NYSE MKT is entitled to appoint up to seven (7) Directors. In addition, in the event that additional Founding Firms are entitled to appoint Directors to the Board resulting in an increase in the size of the Board, NYSE MKT is entitled to appoint additional Directors corresponding to the number of new Directors appointed by Founding Firms, so that NYSE MKT, subject to certain conditions, shall have the

right to appoint a number of Directors to the Board that is equal to the number appointed by the Founding Firms plus one. NYSE MKT is further required to appoint a number of Directors (not to exceed the 7 Directors NYSE MKT is otherwise entitled to appoint) sufficient to ensure that no single Founding Firm's designees to the Board constitute twenty percent (20%) or a greater percentage of the Board.

The Exchange proposes to amend Section 8.1(d)(i) of the LLC Agreement to clarify that, in the event that the Board increases in size, NYSE MKT would be entitled and required to appoint a number of Directors in excess of the 7 Directors it is otherwise entitled to appoint to ensure that no single Founding Firm's designees constitute twenty percent (20%) or a greater percentage of the Board.

Founding Firm Advisory Committee

Pursuant to Section 8.3 of the LLC Agreement, the Board has established a Founding Firm Advisory Committee comprised of natural persons having the capacity to provide advice to the Board, which advice the Board will consider in good faith but shall not be bound by, with respect to subjects identified by the Board from time to time, including new products and market structure. Members of the Founding Firm Advisory Committee are appointed by the Members as follows: two (2) Advisory Committee Members are appointed by NYSE MKT and one (1) Advisory Committee Member is appointed by each Founding Firm.

The Exchange proposes to amend Section 8.3 of the LLC Agreement to clarify that, upon the admission to the Company of a new Member that is deemed to be a Founding Firm pursuant to Section 11.1(c) of the LLC Agreement, the authorized number of Advisory Committee Members shall automatically be increased by one.

Policies Related to Confidential Information

Section 7.4 of the LLC Agreement requires that each Member maintain commercially reasonable policies and procedures to prevent the disclosure of Confidential Information of the Company by any Director, alternate Director, observer to the Board or any committee of the Board or Advisory Committee Member to any other individual appointed by such Member to perform a similar role with respect to, or who is an officer or employee of, a Specified Entity.

The Exchange proposes to amend Section 7.4 of the LLC Agreement to provide that each Member maintain policies and procedures to prevent the disclosure of Confidential Information to a Specified Entity generally, rather than to individuals performing specified roles at a Specified Entity.

Transfers of Interests

Article XI of the LLC Agreement and Article III of the Members Agreement specify certain conditions under which Members may Transfer their Common Interests. Under the LLC Agreement, acquisitions of Class A Common Interests by Class B Members or Class B Common Interests by Class A Members require the recalculation of the Aggregate Class A Allocation and the Aggregate Class B Allocation.

The Exchange proposes to amend Section 11.2(a) of the LLC Agreement and Section 3.1 of the Members Agreement to clarify that the provisions of Section 11.2 of the LLC Agreement and Article III of the Members Agreement apply to transfers among the Members as well as to transfers to third parties. In addition, the Exchange proposes to amend Section 11.2 of the LLC Agreement to clarify the mechanics by which (1) Common Interests may be transferred among Members or redeemed, and (2) Common Interests may be converted into Non-voting Common Interests. These amendments are not intended to substantively change these mechanics, but

rather to clarify, as a technical matter, the specific changes that are required to be made to the Members' Schedule to reflect such transactions. Exhibit 5C includes examples of how these mechanics may be implemented from time to time.

The Exchange also proposes to make certain conforming changes to the Members Agreement to clarify that the mechanics described below are applicable to transfers authorized thereunder.

In addition, the Exchange proposes to clarify that the call option granted to NYSE MKT pursuant to Section 3.4 of the Members Agreement is granted solely by the Class B Members.

Finally, the Exchange proposes to amend provisions in the Members Agreement to clarify the time periods during which Members may elect to transfer their Common Interests and relevant deadlines with respect to such transfers.

Transfers Among Members; Redemptions

The Exchange proposes to clarify that following any transfer or redemption of Class A Common Interests or Class B Common Interests, the Aggregate Class A Economic Allocation, the Aggregate Class A Voting Allocation, the Aggregate Class B Economic Allocation, the Aggregate Class B Voting Allocation and the number of Class A Common Interests and Class B Common Interests shall be adjusted, subject in each case to Section 4.9 of the Amended LLC Agreement, as follows, to reflect such transfers or redemptions:

(i) in the case of an acquisition of Class B Common Interests by a Class A Member or any of its Affiliates,

(A) the Aggregate Class A Economic Allocation shall be increased by the Economic Common Interest Percentage represented by the

Class B Common Interests so acquired and the Aggregate Class B Economic Allocation shall be reduced by an equal percentage,

(B) the Aggregate Class A Voting Allocation shall be increased by a percentage equal to the Voting Common Interest Percentage represented by the Class B Common Interests so acquired and the Aggregate Class B Voting Allocation shall be reduced by an equal percentage, and

(C) the Class B Common Interests so acquired shall be converted into a number of Class A Common Interests equal to the product of (w) a fraction, (1) the numerator of which shall be the Economic Common Interest Percentage represented by the Class B Common Interests so acquired and (2) the denominator of which shall be the Aggregate Class A Economic Allocation prior to such acquisition multiplied by (x) the aggregate number of Class A Common Interests issued and outstanding prior to such acquisition; provided that if any acquired Class B Common Interests are Class B Non-voting Common Interests, the number of such Class A Common Interests that shall be Class A Non-voting Common Interests shall be equal to the difference between (I) the total number of such Class A Common Interests less (II) the product of (y) a fraction, (1) the numerator of which shall be the Voting Common Interest Percentage represented by the Class B Common Interests so acquired and (2) the denominator of which shall be the Aggregate Class A Voting Allocation prior to such acquisition multiplied by (z) the total number of Class A Common Interests issued and outstanding prior to such acquisition that are not Class A Non-voting Common Interests.

(ii) in the case of a redemption of Class B Common Interests by the Company,

(A) the Aggregate Class A Economic Allocation shall be increased by a percentage equal to the product of (x) the Economic Common Interest Percentage represented by the Class B Common Interests so redeemed multiplied by (y) a fraction, (1) the numerator of which shall be equal to the Aggregate Class A Economic Allocation immediately prior to such redemption and (2) the denominator of which shall be equal to (I) one-hundred percent (100%) minus (II) the Economic Common Interest Percentage so redeemed, and the Aggregate Class B Economic Allocation shall be reduced by an equal percentage, and

(B) the Aggregate Class A Voting Allocation shall be increased by a percentage equal to (x) the total Voting Common Interest Percentage represented by the Class B Common Interests so redeemed multiplied by (y) a fraction, (1) the numerator of which shall be equal to the Aggregate Class A Voting Allocation immediately prior to such redemption and (2) the denominator of which shall be equal to (I) one-hundred percent (100%) minus (II) the Voting Common Interest Percentage so redeemed, and the Aggregate Class B Voting Allocation shall be reduced by an equal percentage.

(iii) in the case of an acquisition of Class A Common Interests by a Class B Member or any of its Affiliates,

(A) the Aggregate Class A Economic Allocation shall be reduced by the Economic Common Interest Percentage represented by the

Class A Common Interests so acquired and the Aggregate Class B Economic Allocation shall be concomitantly increased,

(B) the Aggregate Class A Voting Allocation shall be reduced by the Voting Common Interest Percentage represented by the Class A Common Interests so acquired and the Aggregate Class B Voting Allocation shall be concomitantly increased, and

(C) the Class A Common Interests so acquired shall be converted into a number of Class B Common Interests equal to the product of (w) a fraction, (1) the numerator of which shall be the Economic Common Interest Percentage represented by the Class A Common Interests so acquired and (2) the denominator of which shall be the Aggregate Class B Economic Allocation prior to such acquisition multiplied by (x) the aggregate number of Class B Common Interests issued and outstanding prior to such acquisition; provided that if any acquired Class A Common Interests are Non-voting Common Interests, the number of such Class B Common Interests that shall be Class B Non-voting Common Interests shall be equal to the difference between (I) the total number of such Class B Common Interests less (II) the product of (y) a fraction, (1) the numerator of which shall be the Voting Common Interest Percentage represented by the Class A Common Interests so acquired and (2) the denominator of which shall be the Aggregate Class B Voting Allocation prior to such acquisition multiplied by (z) the total number of Class B Common Interests issued and outstanding prior to such acquisition that are not Class B Non-voting Common Interests.

(iv) in the case of a redemption of Class A Common Interests by the Company,

(A) the Aggregate Class A Economic Allocation shall be reduced by a percentage equal to (x) the Economic Common Interest Percentage represented by the Class A Common Interests so redeemed multiplied by (y) a fraction, (1) the numerator of which shall be equal to the Aggregate Class B Economic Allocation immediately prior to such redemption and (2) the denominator of which shall be equal to (I) one-hundred percent (100%) minus (II) the Economic Common Interest Percentage so redeemed, and the Aggregate Class B Economic Allocation shall be concomitantly increased, and

(B) the Aggregate Class A Voting Allocation shall be reduced by a percentage equal to (x) the total Voting Common Interest Percentage represented by the Class A Common Interests so redeemed multiplied by (y) a fraction, (1) the numerator of which shall be equal to the Aggregate Class B Voting Allocation immediately prior to such redemption and (2) the denominator of which shall be equal to (I) one-hundred percent (100%) minus (II) the Voting Common Interest Percentage so redeemed, and the Aggregate Class B Voting Allocation shall be concomitantly increased.

Examples 1, 2 and 3 in Exhibit 5C demonstrate the operation of these provisions.[15]

Converting Common Interests to Non-voting Common Interests

The Exchange proposes to add a Section 11.2(c) that clarifies that if a Member holds Common Interests representing an Excess Interest Percentage (such Member, solely to the extent

[15] Examples 1, 2 and 3 were the subject of discussions with the SEC staff at a meeting on August 23, 2012.

that such Member holds Common Interests representing an Excess Interest Percentage or Common Interests converted into Non-voting Common Interests by operation of Section 11.2(c) of the Amended LLC Agreement, a "Converting Member"), such Member's Voting Common Interest Percentage shall be reduced by converting a number of such Member's Common Interests into Non-voting Common Interests as follows:

(i) A number of such Member's Common Interests shall be converted into Non-voting Common Interests, which number shall be equal to the product of:

(A) In the case of Class A Common Interests, (x) such Member's Excess Interest Percentage multiplied by (y) a fraction, (1) the numerator of which shall be the total number of Class A Common Interests that are not Class A Non-voting Common Interests prior to such conversion and (2) the denominator of which shall be the Aggregate Class A Voting Allocation; or

(B) In the case of Class B Common Interests, (x) such Member's Excess Interest Percentage multiplied by (y) a fraction, (1) the numerator of which shall be the total number of Class B Common Interests that are not Class B Non-voting Common Interests prior to such conversion and (2) the denominator of which shall be the Aggregate Class B Voting Allocation;

(ii) Each Member's (including the Converting Member's) Voting Common Interest Percentage shall be recalculated, taking into account the applicable calculation set forth in clause (i)(A) above; provided that with respect to all newly-converted Non-voting Common Interests, the Aggregate Class A

Voting Allocation and Aggregate Class B Voting Allocation shall be adjusted to allocate the Voting Common Interest Percentage represented by the Common Interests that are subject to conversion pursuant to clause (i)(A) above proportionally between the Aggregate Class A Voting Allocation and Aggregate Class B Voting Allocation; and

(iii) If the calculations performed pursuant to clause (ii) result in any Member owning Common Interests representing an Excess Interest Percentage, the calculations required by Section 11.2(c)(i) of the Amended LLC Agreement shall be repeated until no Member owns Common Interests representing an Excess Interest Percentage.

By way of example, consider a Class B Member that holds 7 of 8 outstanding Class B Common Interests (none of which are Non-voting Common Interests), where the Aggregate Class B Voting Allocation is 25%. Such Class B Member's Voting Common Interest Percentage would be 21.875% (i.e., 7/8 of 25%) and it would, therefore, be an Exceeding Member with an Excess Interest Percentage of 1.875% (i.e., 21.875% - 20%)[16]. By operation of Section 4.9(c) of the Amended LLC Agreement, the Exceeding Member would be automatically deemed to be a Converting Member and would be subjected to the conversion mechanics of Section 11.2(c)(i) of the Amended LLC Agreement. First, a number of its Common Interests would be converted into Non-voting Common Interests. Pursuant to Section 11.2(c)(i)(A)(2) of the Amended LLC Agreement, this number would be equal to the product of (x) 1.875% (the Member's Excess Interest Percentage) multiplied by (y) a fraction, (1) the numerator of which would be 8 (the then-outstanding number of ordinary Class B Common Interests) and (2) the denominator of

[16] In the interests of simplicity, for this example, we round up the 19.9% Maximum Percentage to 20%.

which would be 25% (the Aggregate Class B Voting Allocation), or 0.6 Class B Common Interests. Thus, by operation of Section 11.2(c)(i)(A)(2) of the Amended LLC Agreement, the Member would then hold 6.4 ordinary Class B Common Interests and 0.6 Non-voting Common Interests.

Next, pursuant to Section 11.2(c)(i)(B) of the Amended LLC Agreement, each Member's (including the Converting Member's) Voting Common Interest Percentage would be recalculated to reflect the conversion and the Aggregate Class A Voting Allocation and Aggregate Class B Voting Allocation would be adjusted to allocate the Voting Common Interest Percentage of the converted Common Interests proportionally between the Class A Members and the Class B Members. The Voting Common Interest Percentage represented by 0.6 Class B Common Interests is 1.875%. The proportional reallocation of this 1.875% is effected in the same way the Company would reallocate the Economic Common Interest Percentage of Common Interests that had been redeemed: the Aggregate Class A Voting Allocation is recalculated as 75%/98.125% (i.e., 100% - 1.875%) and the Aggregate Class B Voting Allocation is recalculated as 23.125%/98.125% (i.e., 25% - 1.875% and 100% - 1.875%, respectively). Thus, the new Aggregate Class B Voting Allocation is 23.567%. As a result of this reallocation, the Converting Member's Voting Common Interest Percentage would be recalculated as 6.4 (ordinary Class B Common Interests held by it) divided by 7.4 (ordinary Class B Common Interests outstanding) multiplied by 23.567% (the new Aggregate Class B Voting Allocation), or 20.382%. Note that the Converting Member is still an Exceeding Member as a result of the proportional allocation of the Voting Common Interest Percentage represented by the converted Class B Common Interests. As a result, pursuant to Section 11.2(c)(i)(C) of the Amended LLC Agreement, the process described above will need to be repeated, iteratively, in respect of such Converting

Member's "new" Excess Interest Percentage, until it is no longer an Exceeding Member. Ultimately, a total of 0.75 of such Member's Class B Common Interests will need to be converted into Non-voting Common Interests, resulting in: (1) such Member holding 6.25 Class B Common Interests and 0.75 Non-voting Common Interests, (2) the Aggregate Class A Voting Allocation increasing to 76.8%, (3) the Aggregate Class B Voting Allocation falling to 23.2%, and (4) such Member's Voting Common Interest Percentage falling to 20%.[17]

Conversion of Non-voting Common Interests to Common Interests

In certain circumstances (including, for example, where an Exceeding Member holds Non-voting Common Interests while it divests itself of the Common Interests representing its Excess Interest Percentage in accordance with Section 4.9 of the Amended LLC Agreement), a Member's Common Interests that were required to be converted to Non-voting Common Interests may be converted back into ordinary Common Interests upon their transfer to another Member. To effect this reconversion, the Exchange proposes to provide in Section 11.2(c) of the Amended LLC Agreement that, subject to Section 7.5 of the Amended LLC Agreement, in the event of (x) a Transfer by a Converting Member of any Common Interests or (y) a redemption by the Company of any Common Interests owned by a Converting Member:

(i) simultaneously with such Transfer or redemption, as applicable, (A) all Non-voting Common Interests created by application of Section 11.2(c) of the Amended LLC Agreement (other than those held or transferred by a Restricted Member) shall be converted back into Common Interests (with

[17] Note that as a consequence of the changes to the Aggregate Class A Voting Allocation and Aggregate Class B Voting Allocation, each Member's Voting Common Interest Percentage will also be proportionally increased. If, as a result, such a Member becomes an Exceeding Member, it would also be subjected to the provisions of amended Section 4.9 and, if applicable, proposed Section 11.2(c) of the Amended LLC Agreement.

applicable voting and consent rights as set forth in the Amended LLC Agreement) and shall represent the same Voting Common Interest Percentage they represented prior to their conversion, (B) the Aggregate Class A Voting Allocation and Aggregate Class B Voting Allocation shall be adjusted to reverse the adjustments required by Section 11.2(c)(i) of the Amended LLC Agreement with respect to such converted Common Interests and (C) each Member's (including the Converting Member's) Voting Common Interest Percentage shall be recalculated accordingly; and

(ii) upon giving effect to such Transfer or redemption, as applicable (including giving effect to clause (i) hereof) any Member (including any Transferee or Transferor Member) that is or becomes an Exceeding Member shall be subject to the provisions of Section 4.9 of the Amended LLC Agreement and shall be required to be a Converting Member with respect to the resulting Excess Interest Percentage.

By way of example, consider the Exceeding Member described above (the "Transferring Member") desiring to transfer the Common Interests representing its Excess Interest Percentage. Prior to the application of the conversion mechanics described in Section 11.2(c)(i) of the Amended LLC Agreement, its Excess Interest Percentage was 1.875%.[18] Assume there is only one other Class B Member (the "Acquiring Member"), holding 1 Class B Common Interest (of the 8 total Interests outstanding). The Acquiring Member's Voting Common Interest Percentage is only 3.125% and it is not at risk of becoming an Exceeding Member. It, therefore, wishes to acquire Common Interests from the Transferring Member representing the entirety of the

[18] In the interests of simplicity, for this example, we again round up the 19.9% Maximum Percentage to 20%.

Transferring Member's Excess Interest Percentage. In the hands of the Acquiring Member, such Common Interests will no longer need to be Non-voting Common Interests, so they will need to be converted back into ordinary Class B Common Interests.

To effect this transfer, pursuant to Section 11.2(c)(ii)(A) of the Amended LLC Agreement, all Non-voting Common Interests that had been previously created by operation of Section 11.2(c)(i) of the Amended LLC Agreement (other than those held or transferred by Restricted Members) will be temporarily converted back to ordinary Common Interests and the conversion described above will be temporarily reversed, so that (1) the Transferring Member will be deemed to hold 7 (and not 6.25) ordinary Class B Common Interests and no Non-voting Common Interests, (2) the Aggregate Class A Voting Allocation will be deemed to be 75% and the Aggregate Class B Voting Allocation will be deemed to be 25%, and (3) the Voting Common Interest Percentages of all other Members will be deemed to have returned to their values prior to the conversion. The Acquiring Member, then, will acquire Class B Common Interests representing a Voting Common Interest Percentage (and an Economic Common Interest Percentage) of 1.875%, or 0.6 Class B Common Interests.

Upon giving effect to this Transfer, (1) the Transferring Member will hold 6.4 (i.e., 7 - 0.6) Class B Common Interests, representing a Voting Common Interest Percentage (and Economic Common Interest Percentage) of 20% and (2) the Acquiring Member will hold 1.6 (i.e., 1 + 0.6) Class B Common Interests, representing a Voting Common Interest Percentage (and Economic Common Interest Percentage) of 5%.[19] Neither will hold any Non-voting Common Interests and neither will be an Exceeding Member.

[19] Because the transfer is between Class B Members, no aggregate allocations would need to be adjusted.

Conforming Changes

The Exchange further proposes to amend Sections 3.2(i) and 3.3(e) of the Members Agreement to clarify that (A) any redemption of Class B Common Interests pursuant to Section 3.2(b)(iii) or Section 3.2(c)(ii) of the Members Agreement and (B) any acquisition of Class A Common Interests by Class B Members pursuant to Section 3.3 of the Members Agreement or redemption of Class A Common Interests shall be, in all cases, subject to the mechanics described above and shall result in appropriate adjustments to the Aggregate Class A Economic Allocation, the Aggregate Class B Economic Allocation, Aggregate Class A Voting Allocation, the Aggregate Class B Voting Allocation, and the number of Class A Common Interests and Class B Common Interests, in each case, resulting from such transfer or redemption pursuant to Section 11.2(b) of the Amended LLC Agreement, and resulting adjustments, if any, to each Member's Economic Common Interest Percentage and Voting Common Interest Percentage.

Call Option of NYSE MKT

Section 3.4 of the Members Agreement provides for a "call option" that is exercisable by NYSE MKT under certain circumstances. The Exchange proposes to amend Section 3.4 of the Members Agreement to clarify that the call option described therein is granted by the Class B Members rather than the Members (other than NYSE MKT) and gives NYSE MKT the right and the option to require the Class B Members (and any transferee of a Class B Member or transferee of a transferee) collectively to transfer to NYSE MKT any or all of the aggregate Class B Common Interests held by all Class B Members.

Sale and Transfer Periods

The Exchange proposes to amend the definition of "Sale Period" in Section 1.1 of the Members Agreement in order to clarify that the period of time during which a Founding Firm

may elect to transfer its Common Interests pursuant to Section 3.2 of the Amended Members Agreement is, in all cases, the 21 day period beginning on the first Business Day after the later of (x) the deadline for NYSE Euronext to file its Form 10-K with the SEC and (y) the date NYSE Euronext actually files such Form 10-K. The Exchange also proposes to add the term "Transfer Period" in Section 1.1 of the Members Agreement, to mean, with respect to a Sale Period, the period of time starting on the first day of such Sale Period and ending on the earlier of (x) the day immediately preceding the first day of the following Sale Period and (y) with respect to a Member, if applicable, the date on which a transfer by such Member pursuant to Section 3.2 of the Amended Members Agreement is actually consummated. Relatedly, the Exchange proposes to amend Section 3.2 and Schedule 3.2(a) of the Members Agreement to clarify that transfers pursuant to Section 3.2 of the Amended Members Agreement must be consummated during the applicable Transfer Period rather than the applicable Sale Period.

In addition, the Exchange proposes to delete Section 3.2(j) of the Members Agreement related to the determination of the first Sale Period, as that provision is no longer applicable by its terms.

Volume-Based Equity Plan

Volume Dispute Committee

Section 2.4 of the Members Agreement establishes a Volume Dispute Committee empowered to take certain actions related to the Volume-Based Equity Plan. The Volume Dispute Committee is composed of fifteen natural persons, one of whom is appointed by each Founding Firm and the remainder of whom are appointed by NYSE MKT.

Under the Amended Members Agreement, Section 2.4 is clarified to provide that upon the admission to the Company of a new Member that is deemed a Founding Firm pursuant to

Section 11.1(c) of the Amended LLC Agreement, the number of representatives on the Volume Dispute Committee shall automatically be increased by two (2), one of whom shall be appointed by such new Member and one of whom shall be appointed by NYSE MKT.

Volume Calculations

The definition of "Industry Volume" in the Members Agreement provides a mechanism for determining the aggregate industry-wide volume in certain products for purposes of determining a Founding Firm's Individual Target. Section 2.3 of the Members Agreement provides a mechanism for the determination of whether a Founding Firm has achieved its Individual Target.

The Exchange proposes to amend the definition of "Industry Volume" to specify that Industry Volume shall include one-tenth of the volume in certain mini-options contracts that may be listed on the Exchange pursuant to NYSE MKT Rule 903. The Exchange also proposes to amend Section 2.3 of the Members Agreement to provide that for purposes of determining whether a Founding Firm has achieved its Individual Target, a Founding Firm will receive one-tenth of a credit for each transaction in any such mini-options contract.

Fair Market Value

The Exchange proposes to amend various provisions of the LLC Agreement and the Members Agreement to provide greater specificity with respect to the determination of fair market value. In addition, the Exchange proposes to amend certain provisions of the Members Agreement to remove references to provisions that are no longer applicable by their terms. Specifically, the Exchange proposes to amend:

- Section 4.9(c) of the LLC Agreement to provide that, in connection with a transfer of Common Interests representing an Excess Interest Percentage,

the fair market value of such Common Interests will be determined as the product of (x) the fair market value of the Company, determined as of the date such Member is determined to be an Exceeding Member, multiplied by (y) the Excess Interest Percentage represented by such Common Interests;

- Section 11.5(b) of the LLC Agreement to provide that, in connection with certain redemptions of a Member's Common Interests, the fair market value of the redeemed Common Interests will be determined as the product of (x) the fair market value of the Company, determined as of the end of the calendar month immediately preceding the date the Company determines to redeem such Common Interests, multiplied by (y) the Economic Common Interest Percentage represented by such Common Interests;
- Section 11.5(c) of the LLC Agreement to provide that, in connection with certain redemptions of a Member's Common Interests, the fair market value of the redeemed Common Interests will be determined as the product of (x) the fair market value of the Company, determined as of the date the Company determines to redeem such Common Interests, multiplied by (y) the Economic Common Interest Percentage represented by such Common Interests;
- Section 11.5(g) of the LLC Agreement to provide that, in connection with a transfer of Class B Common Interests to NYSE MKT pursuant to Section 11.5(g) of the LLC Agreement, the fair market value of such

transferred Class B Common Interests will be determined as the product of (x) the fair market value of the Company, determined as of the end of the calendar month immediately preceding the date NYSE MKT determines to exercise its right to require a Founding Firm to transfer its Class B Common Interests to NYSE MKT multiplied by (y) the Economic Common Interest Percentage represented by such Class B Common Interests;

- the definition of "EBITDA" in Section 1.1 of the Members Agreement to remove provisions regarding the calculation of fair market value that are no longer applicable;
- Section 2.1(i) of the Members Agreement (proposed to be renumbered as Section 2.1(h) in the Amended Members Agreement) to provide that, in connection with the redemption of a Founding Firm's Class B Common Interests pursuant to Section 2.1(i) of the Members Agreement, fair market value of the Company will be determined as of the final day of the calendar month immediately preceding the relevant quarterly determination date; and
- Section 3.4 of the Members Agreement to provide that, in connection with NYSE MKT's call option, fair market value of the Company will be determined as of the final day of the calendar month immediately preceding the exercise by NYSE MKT of its call option.

Typographical and Other Technical Corrections

The Exchange proposes to amend various provisions of the LLC Agreement and the Members Agreement in order to make certain typographical corrections. Specifically, the Exchange proposes to:

- Replace the term "and" with "or" in the definition of "Initial Member" in Section 1.1 of the LLC Agreement;
- Replace the term "hold(s)" with "own(s)" in Sections 1.1 and 11.8 of the LLC Agreement;
- Replace the term "held" with "owned" in Sections 8.1, 10.1, 11.3, 11.4 and 11.8 of the LLC Agreement;
- Replace the term "holding" with "owning" in Sections 1.1, 9.1 and 13.2 of the LLC Agreement;
- Replace the term "holder(s)" with "owner(s)" in Sections 6.1, 9.1, 11.3 and 12.2 of the LLC Agreement;
- Delete the phrase "or hold" in Section 9.5 of the LLC Agreement;
- Replace the term "Shares" with "Common Interests or Preferred Interests" in Sections 1.1 and 11.1 of the LLC Agreement;
- Replace the term "subsection" with "clause" in Section 11.8 of the LLC Agreement;
- Delete the term "ownership" in describing certain regulatory thresholds in Section 11.8 of the LLC Agreement;
- Replace the term "for" with the phrase "with respect to" in the definition of "EBITDA" in Section 1.1 of the Members Agreement; and

- Add the terms “Agreement”, “Company” and “NYSE Euronext” to Section 1.1 of the Members Agreement.

Redactions to the Members Agreement

Certain provisions in the Members Agreement have been redacted in order to preserve the confidentiality of commercially sensitive information. The redacted provisions are limited to (i) numerical dollar amounts and percentage thresholds, (ii) commercially sensitive terms and provisions related to the calculation of “fair market value” and (iii) certain competitive information. In connection with the revisions described herein, the Exchange proposes to amend certain of the redacted provisions in the Members Agreement related to the calculation of fair market value.

2. Statutory Basis

The Proposed Rule Change is consistent with Section 6(b)[20] of the Act,[21] in general, and, in particular, furthers the objectives of Sections 6(b)(1)[22], 6(b)(5)[23] and 6(b)(8)[24] of the Act.

The Proposed Rule Change is consistent with, and furthers the objectives of, Section 6(b)(1) of the Act because it enforces compliance by its members and persons associated with its members, with the provisions of the Act, the rules and regulations promulgated thereunder and the rules of the Exchange. It is also consistent with, and furthers the objectives of, Section 6(b)(5) of the Act in that it preserves all of NYSE MKT’s existing rules and mechanisms to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles

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20 15 U.S.C. 78f(b).

21 15 U.S.C. 78.

22 15 U.S.C. 78f(b)(1).

23 15 U.S.C. 78f(b)(5).

24 15 U.S.C. 78f(b)(8).

of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. The Proposed Rule Change does not modify, in any material respect, any of the provisions of the LLC Agreement or Members Agreement, that the SEC has found to be consistent with Section 6(b) of the Act. Finally, the Proposed Rule Change is consistent with Section 6(b)(8) of the Act because it will not impose any burden on competition, as discussed in Section 4 below.

The Proposed Rule Change does not modify the Options Exchange's trading or compliance rules and preserves the existing mechanisms for ensuring the Exchange's compliance with the Act, the rules and regulations promulgated thereunder and the rules of the Exchange. Furthermore, the proposed amendments to the provisions of the LLC Agreement related to ownership limitations in the Proposed Rule Change clarify the mechanisms by which Members may maintain compliance with applicable laws and regulations, enabling and ensuring continued compliance with such laws and regulations by both the Exchange and its Members. Finally, the proposed amendments do not change the structure of the joint venture which retains NYSE MKT's regulatory control over the Options Exchange or the provisions specifically designed to ensure the independence of its self-regulatory function and to ensure that any regulatory determinations by NYSE MKT, as the self-regulatory organization for the Options Exchange, are controlling with respect to the actions and decisions of the Options Exchange.

Additionally, the Amended LLC Agreement continues to require the Company, its Members and its directors to comply with the federal securities laws and the rules and regulations promulgated thereunder and to engage in conduct that fosters and does not interfere

with the Exchange's or the Company's ability to carry out its respective responsibilities under the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the Proposed Rule Change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Proposed Rule Change does not substantively change the LLC Agreement and Members Agreement, and instead provides clarifications to address certain ambiguities in those documents. Furthermore, the proposed amendments to the provisions of the LLC Agreement related to ownership limitations in the Proposed Rule Change clarify the mechanisms by which Members may maintain compliance with applicable laws and regulations, including the Commission's policies with respect to permissible equity ownership limitations, enabling and ensuring continued compliance with applicable equity ownership limits by Members of the Exchange. In addition, the Proposed Rule Change does not affect the availability or pricing of any goods or services and, as a result, will not affect competition either between the Exchange and others that provide the same goods and services as the Exchange or among market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEMKT-2014-08 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR- NYSEMKT-2014-08. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make publicly available. All submissions should refer to File Number SR- NYSEMKT-2014-08 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. [25]

Kevin M. O'Neill
Deputy Secretary

[25] 17 CFR 200.30-3(a)(12).