

Additions: Underlined  
Deletions: [Bracketed]

**Rules of New York Stock Exchange LLC**

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**Rule 7P EQUITIES TRADING**

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**Section 3. Exchange Trading**

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**Rule 7.31. Orders and Modifiers**

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(d) Orders with a Conditional or Undisplayed Price and/or Size

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(4) Discretionary Order (“D Order”). A Limit Order that may trade at an undisplayed discretionary price. A D Order must be designated Day[, ] and may be designated as routable or non-routable[, ] and on entry, must have a minimum of one round lot displayed]. A D Order is available only to Floor Brokers and is eligible to be traded in the Core Trading Session only.

(A) *On arrival.* A Floor broker must specify one of the following instructions for a D Order:

- (i) *Limit Price D Order.* On arrival, a Limit Price D Order to buy (sell) will trade with sell (buy) orders on the Exchange Book or, if designated as routable, route to an Away Market, up (down) to the limit price of the order. If after trading and routing the PBBO is locked or crossed or there is no PBB (PBO), a Limit Price D Order will be cancelled. For a Limit Price D Order that is partially routed to an Away Market on arrival, any returned quantity of such D Order will join the working price of the resting odd-lot quantity of the D Order.
- (ii) *Midpoint Price D Order.* On arrival, a Midpoint Price D Order to buy (sell) will trade with sell (buy) orders on the Exchange Book up (down) to the lower (higher) of the midpoint of the PBBO

(“Midpoint Price”) or the limit price of the order. A Midpoint Price D Order will not route on arrival, even if designated as routable. If the PBBO is locked or crossed or if the Midpoint Price is unavailable, a Midpoint Price D Order will be rejected.

- (B) *Display Price.* The working and display price of a D Order to buy (sell) will be pegged to the PBB (PBO). If the PBB (PBO) is higher (lower) than the limit price of a D Order to buy (sell), the working and display price will be the limit price of the order. A D Order to buy (sell) will be cancelled if there is no PBB (PBO) against which to peg. At its display price, a D Order is ranked Priority 2 - Display Orders.
- (i) If after arrival, the PBBO becomes locked or crossed, a D Order will wait for a PBBO that is not locked or crossed before the display and working price are adjusted and remains eligible to trade at its current working price.
- (C) *Exercising Discretion.* A resting D Order to buy (sell) is eligible to exercise discretion up (down) to the limit price of the order. A D Order will not exercise discretion if the PBBO is locked or crossed or if there is no Midpoint Price.
- (i) A D Order to buy (sell) will be triggered to exercise discretion if the price of an Aggressing Order to sell (buy) is above (below) the PBB (PBO) and at or below (above) the Midpoint Price (the “discretionary price range”).
  - (ii) The discretionary price at which a D Order to buy (sell) will trade will be the price of the sell (buy) order, provided that, if there is other interest to buy (sell) on the Exchange Book priced equal to or higher (lower) than the price of the sell (buy) order, the discretionary price will be one MPV higher (lower) than the highest (lowest) priced resting order to buy (sell), capped by the Midpoint Price.
- (D) *Ranking and Working Time.* The trigger to exercise discretion does not change the working time of a D Order’s display and working price.
- (i) At the discretionary price, a D Order will be assigned a new temporary working time that is later than any same-side resting interest at that price.
  - (ii) Multiple D Orders eligible to trade at the same discretionary price will be ranked by limit price and time.

- (iii) Any quantity of a D Order that does not execute at a discretionary price will return to the working time associated with its working and display price.
- (E) *Resting D Order that Becomes Marketable.* After the PBBO unlocks or uncrosses or a Midpoint Price becomes accessible, resting D Orders to buy (sell) will be ranked based on the lower (higher) of the Midpoint Price or limit price of the order to determine whether such D Order is marketable within the discretionary price range with contra-side orders on the Exchange Book.
- (F) A D Order may be designated with an STPN or STPO modifier and will be rejected if combined with any other modifiers or if the same-side PBBO is zero.

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(h) *Pegged Orders.* A Limit Order that does not route with a working price that is pegged to a dynamic reference price. If the designated reference price is higher (lower) than the limit price of a Pegged Order to buy (sell), the working price will be the limit price of the order. Pegged Orders are available only to Floor brokers.

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- (2) *Primary Pegged Order.* A Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed. A Primary Pegged Order to buy (sell) will be rejected on arrival, or cancelled when resting, if there is no PBB (PBO) against which to peg. A Primary Pegged Order is not eligible to participate in the Closing Auction.
  - (A) [A Primary Pegged Order must include a minimum of one round lot displayed.] The working price of a Primary Pegged Order equals the display price and the display quantity is ranked Priority 2 - Display Orders and the reserve interest is ranked Priority 3 - Non-Display Orders.
  - (B) A Primary Pegged Order will be rejected if the PBBO is locked or crossed. If the PBBO is locked or crossed when the display quantity of a Primary Pegged Reserve Order is replenished, the entire order will be cancelled. If after arrival, the PBBO becomes locked or crossed, the Primary Pegged Order will wait for a PBBO that is not locked or crossed before the display and working price are adjusted and remains eligible to trade at its current working price.

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