

Additions are underlined;
Deletions are [bracketed].

NYSE Arca Equities Rules

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Rule 7.31. Orders and Modifiers

(a) through (g) No change.

(h) Working Order. Any order with a conditional or undisplayed price and/or size designated as a "Working Order" by the Corporation, including, without limitation:

(1) through (3) No change.

(4) Passive Liquidity Order. An order to buy or sell a stated amount of a security at a specified, undisplayed price. Passive Liquidity Orders will be executed in the Working Order Process after all other Working Orders except undisplayed discretionary order interest. Passive Liquidity Orders with a price superior to that of Directed Fills will have price priority and will execute ahead of inferior priced Directed Fills in the Directed Order Process. Passive Liquidity Orders with a price superior to that of displayed orders will have price priority and will execute ahead of inferior priced displayed orders in the Display Order Process. [In securities where the NYSE Arca Marketplace is the primary listings market and there is a Lead Market Maker, the Passive Liquidity Order will be available to the Lead Market Maker only; provided, however, that a buy (sell) Passive Liquidity Order in such instance shall execute against an incoming sell (buy) marketable order only if one of the following conditions are met: (a) the NYSE Arca Book is at the national best bid (offer) and the Lead Market Maker has a displayed bid (offer) equal to the NYSE Arca Marketplace best bid (offer) with a quoted size at least as large as the total size of the incoming marketable sell (buy) order against which the Passive Liquidity Order would trade; or (b) the NYSE Arca Book is at the national best bid (offer) and the Lead Market Maker has a displayed bid (offer) \$0.01 below (above) the NYSE Arca Marketplace best bid (offer) with a quoted size at least twice as large as the total size of the incoming marketable sell (buy) order against which the Passive Liquidity Order would trade; or (c) where the NYSE Arca Book is not at the national best bid (offer) AND the price of the Passive Liquidity Order is at least \$0.01 higher (lower) than the NYSE Arca Book best bid (offer) AND the incoming marketable order is not designated as an "inter-market sweep" order per Regulation NMS. A Passive Liquidity Order shall not execute if it is priced below other orders in the NYSE Arca Book or if the NYSE Arca Book is at the national best bid (offer) and the Lead Market Maker does not have a displayed order within \$0.01 of the NYSE Arca Marketplace best bid (offer).]

(5) No change.

(i) through (rr) No change.

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Rule 7.37. Order Execution

Order Execution

Like-priced orders, bids and offers shall be matched for execution by following Steps 1 through 5 in this Rule; provided, however, for an execution to occur in any Order Process, the price must be equal to or better than (1) the PBBO, in the case of a Limit Order or a Q Order or (2) the NBBO, in the case of an Inside Limit Order, a Pegged Limit Order or a Market Order. If such an order is not executable within those parameters, it may be routed to away markets as provided in paragraph (d) of this rule (however, a User may submit a Primary Only Order that may be routed to an away market without consideration of the NBBO).

(a) *Step 1: Directed Order Process.* Orders may be matched and executed in the Directed Order Process as follows:

(1) If a User submits a marketable Directed Order to the NYSE Arca Marketplace and the User's designated Market Maker has a standing instruction for a Directed Fill to the NYSE Arca Marketplace, the Directed Order shall be executed against the Directed Fill of the designated Market Maker, unless there is a Passive Liquidity Order as defined in NYSE Arca Equities Rule 7.31(h) with a price superior to that of the Directed Fill, in which case the Passive Liquidity Order will have price priority and will execute ahead of inferior priced Directed Fills in the Directed Order Process. [In securities where the NYSE Arca Marketplace is the primary listings market and there is a Lead Market Maker, Passive Liquidity Orders will be available to the Lead Market Maker only, provided that the display requirements in NYSE Arca Equities Rule 7.31(h)(4) are met.]

(2) through (4) No change.

(b) If an incoming marketable order has not been executed in its entirety pursuant to paragraph (a) of this Rule, any remaining part of the order shall be routed to the Display Order Process.

(1) *Step 2: Display Order Process.*

(A) An incoming marketable order shall first attempt to be matched for execution against orders in the Display Order Process at the display price of the resident order for the total amount of stock available at that price or for the size of the incoming order, whichever is smaller. Passive Liquidity Orders as defined in NYSE Arca Equities Rule 7.31(h) with a price superior to that of displayed orders

will have price priority and will execute ahead of inferior priced displayed orders in the Display Order Process. [In issues where the NYSE Arca Marketplace is the primary listings market and there is a Lead Market Maker, Passive Liquidity Orders will be available to the Lead Market Maker only, provided that the display requirements in NYSE Arca Equities Rule 7.31(h)(4) are met.] For the purposes of this subsection, the size of an incoming Reserve Order includes the displayed and reserve size and the size of the portion of the Reserve Order resident in the Display Order Process is equal to its displayed size. If the incoming marketable order has not been executed in its entirety, the remaining part of the order shall be routed to the Working Order Process.

(B) No change.

(2) No change.

(c) through (h) No change.

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