RULES OF THE CHICAGO STOCK EXCHANGE, INC.

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ARTICLE 1. Definitions and General Information

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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.

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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) – (2) Unchanged

(3) **Applicable to Multiple Order Types**

(A) – (E) Unchanged

(F) **Match Trade Prevention (“MTP”) Modifier**

(i) – (ii) Unchanged

(iii) **MTP Actions.** An MTP Trading Group must be assigned a default MTP Action. The following MTP Actions may be applied to any incoming limit or market orders at the MTP Trading Group level as a default or at the individual order level ad hoc:
(a) **MTP Cancel New**[Incoming] (“N”): An incoming limit or market order marked “N” will not execute against opposite side resting interest originating from the same MTP Trading Group or MTP sublevel, if applicable. Only the newer[incoming] order will be cancelled pursuant to MTP; provided, however, that the incoming order will be cancelled, even if it is not the newer order, in the event MTP is triggered by the incoming order being price slid pursuant to the CHX Only Price Sliding Processes.

(b) **MTP Cancel Old**[Resting] (“O”): An incoming limit or market order marked “O” will not execute against opposite side resting interest originating from the same MTP Trading Group or MTP sublevel, if applicable. Only the older[resting] order will be cancelled pursuant to MTP; provided, however, that the resting order will be cancelled, even if it is not the older order, in the event MTP is triggered by the incoming order being price slid pursuant to the CHX Only Price Sliding Processes.

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**ARTICLE 16. Market Makers**

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**Rule 4. Obligations of Market Makers**

(a) – (e) Unchanged

(f) **LEAD Market Maker Program**

(1) Definitions. For the purposes of this paragraph (f), the terms set forth below shall have the following meanings:

(A) “LEAD” means the Liquidity Enhancing Access Delay, as described under Article 20, Rule 8(h).

(B) “LEAD MM” means a Market Maker assigned to a LEAD MM Security that has committed to maintaining Minimum Performance Standards, described under paragraph (f)(2) below, in the security.

(C) “LEAD MM Security” means a security assigned to a LEAD MM.
(D) “Qualified Executions” means all executed shares at CHX, during all trading sessions, resulting from single-sided orders, excluding any executed shares resulting from auctions.

(2) “Minimum Performance Standards” means the Quotation Requirements and Obligations described under paragraph (d) above with the following modifications:

(A) The Designated Percentages described under paragraph (d)(2)(D) shall be halved.

(B) LEAD MMs shall maintain a Monthly Average NBBO Quoting Percentage, as defined below, in each of its LEAD MM Securities, of at least 10% over the course of a calendar month. For each such security, the Exchange will determine:

(i) the "Daily NBB Quoting Percentage" by determining the percentage of time the LEAD MM has at least one Round Lot of displayed interest in an Exchange bid at the NBB during the Open Trading State of each trading day for a calendar month;

(ii) the "Daily NBO Quoting Percentage" by determining the percentage of time the LEAD MM has at least one Round Lot of displayed interest in an Exchange offer at the NBO during the Open Trading State of each trading day for a calendar month;

(iii) the "Average Daily NBBO Quoting Percentage" for each trading day by summing the "Daily NBB Quoting Percentage" and the "Daily NBO Quoting Percentage" then dividing such sum by two; and

(iv) the "Monthly Average NBBO Quoting Percentage" for each security by summing the security's "Average Daily NBBO Quoting Percentages" for each trading day in a calendar month then dividing the resulting sum by the total number of trading days in such calendar month.

(C) A LEAD MM’s Qualified Executions in each of its LEAD MM Securities must comprise on an equally-weighted daily average at least 2% of all Qualified Executions in the same security over the course of a calendar month.

(D) At least 80% of the LEAD MM’s Qualified Executions in each of its LEAD MM Securities must result from its resting orders that originated from the corresponding LEAD MM Trading Account over the course of a calendar month.
(3) LEAD Market Makers

   (A) Assignment of securities. Only a Market Maker may apply to be assigned one or more securities as a LEAD MM. Market Makers must receive written approval from the Exchange to be assigned securities as a LEAD MM. LEAD MMs shall be selected by the Exchange based on factors including, but not limited to, experience with making markets in securities, adequacy of capital, willingness to promote the Exchange as a marketplace, issuer preference, operational capacity, support personnel and history of adherence to Exchange rules and securities laws. Rules 2(c)-(e) above regarding withdrawal from assigned securities shall also apply to LEAD MMs and LEAD MM Securities.

   (B) LEAD MM Trading Accounts. Before beginning LEAD market making activities in a security, a LEAD MM shall complete the following, subject to Exchange approval:

      (i) Establish at least one separately designated LEAD MM Trading Account through which all and only LEAD market making activities in LEAD MM Securities shall originate.

      (ii) Register each of its LEAD MM Securities to precisely one LEAD MM Trading Account ("Valid LEAD MM Trading Account"); provided, however, that a LEAD MM Trading Account may be registered with one or more LEAD MM Securities. All messages related to a single LEAD MM Security must originate from the Valid LEAD MM Trading Account on a given day. In the event a LEAD MM wishes to change the Valid LEAD MM Trading Account for a given LEAD MM Security, the LEAD MM shall so notify the Exchange in writing by no later than 9 a.m. on the trading day immediately preceding the effective date of the change; provided, however, that the Exchange may, at its discretion, delay or deny the change. No change of a Valid LEAD MM Trading Account for a given LEAD MM Security may be effected intraday.

   (C) Number of LEAD MMs. The Exchange may, at its discretion, approve more than one LEAD MM to be assigned to any LEAD MM Security and limit the number of LEAD MMs assigned to any security.

   (D) Review of Minimum Performance Standards. The Exchange will review each LEAD MM’s quoting and trading activity on a monthly basis to determine whether the LEAD MM has met the Minimum Performance Standards. A LEAD MM’s failure to meet the Minimum Performance Standards on any
given month will result in the Exchange (i) suspending or terminating a LEAD MM’s registration as a Market Maker pursuant to Rule 1(d) above or (ii) suspending or terminating assignment to a LEAD MM Security pursuant to subparagraph (A) above. Nothing in this subparagraph (D) will limit any other power of the Exchange to discipline a LEAD MM pursuant to CHX Rules.

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ARTICLE 20. Operation of the CHX Matching System

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Rule 8. Operation of the Matching System

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

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

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(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 an[ 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; subject to paragraph (h) below.
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, subject to paragraph (h) below; provided, however, that cross orders cannot be cancelled or changed because they are always handled IOC; and

Liquidity Enhancing Access Delay (“LEAD”). After initial receipt of a new incoming message, the Matching System will evaluate the message to determine whether it is a Delayable Message, as defined under paragraph (h)(1) below. For the purposes of this evaluation only, the Matching System shall not consider Match Trade Prevention (“MTP”), as defined under Article 1, Rule 2(b)(3)(F).

If not delayable, the Matching System will immediately process the message without delay.

If delayable, the message will be diverted into the LEAD queue and will remain delayed until it is released for processing. A delayed message shall become releasable 350 microseconds after initial receipt by the Exchange (“Fixed LEAD Period”), but shall only be processed after the Matching System has evaluated and processed, if applicable, all messages in the security received by the Exchange during the Fixed LEAD Period for the delayed message. A message may be delayed for longer than the Fixed LEAD Period depending on the then-current messaging volume at CHX. The Matching System will utilize a new market snapshot to process a released order.

A delayed message shall retain its original sequence number and may only be delayed once. LEAD shall apply to all securities traded on the Exchange throughout the trading day. LEAD shall not apply to messages received during an auction.

(1) For the purposes of this paragraph (h), “Delayable Messages” means all new incoming order, cancel and cancel/replace messages, except as follows:

(A) Any new incoming order or unrouted balance, as described under subparagraph (D) below, that originates from a Valid LEAD MM Trading Account, as described under Article 16, Rule 4(f)(3)(B)(ii), that would, by its
terms, immediately be ranked on the CHX book without executing against any existing resting orders on the CHX book shall not be a Delayable Message.

(B) A cancel message related to a resting order that originates from a Valid LEAD MM Trading Account shall not be a Delayable Message.

(C) A cancel/replace message related to a resting order that originates from a Valid LEAD MM Trading Account shall not be a Delayable Message; provided, however, that if any part of the replace portion would immediately execute against existing resting orders on the CHX book, the replace portion shall be a Delayable Message.

(D) The portion of a Routable Order that is to be routed away pursuant to Article 19, Rule 3(a) shall not be diverted into the LEAD; provided, however, that the entire unrouted balance of the Routable Order shall be diverted into the LEAD, subject to subparagraph (A).

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