

**EXHIBIT 5**

New text is double underlined and deleted text is in double brackets.

**Nasdaq ISE Rules**

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**Rule 100. Definitions**

(a) The following terms, when used in these Rules, shall have the meanings specified in this Chapter 1, unless the context indicates otherwise. Any term defined in Article XIV of the Constitution of Nasdaq ISE, LLC (the “Constitution”) and not otherwise defined in this Chapter shall have the meaning assigned in Article XIV of the Constitution.

(1) – (3) No change.

(4) The term “**bid**” means a quote or limit order to buy one or more options contracts[[, except that with respect to an Equity Security, it means an order to buy such security]].

(5) and (6) No change.

(7) The term “**Clearing Corporation**” means The Options Clearing Corporation, [[except that when used in reference to Equity Securities (as that term is defined in Rule 2100), the term means a securities clearing agency that is registered as such with the SEC under Section 17A of the Exchange Act and maintains facilities through which transactions in such securities may be compared or settled.]]

(8) – (28) No change.

(29) The term “**offer**” means a quote or limit order to sell one or more options contracts[[, except that with respect to an Equity Security (as that term is defined in Rule 2100), it means an order to sell such security]].

(30) – (33) No change.

(34) The term “**order**” means a commitment to buy or sell securities as defined in Rule 715 [[for options and Rule 2104 for Equity Securities (as that term is defined in Rule 2100)].

(35) – (51) No change.

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**Rule 500. Designation of Securities**

[[Other than pursuant to Chapter 21 of the Rules, t]]The Exchange trades options contracts, each of which is designated by reference to the issuer of the underlying security, expiration month or expiration date, exercise price and type (put or call).

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**Rule 702. Trading Halts**

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(a) No change.

(1) No change.

(2) Reserved. [[The following are among the factors that may be considered in determining whether the trading in an Equity Security (as defined in Rule 2100) should be halted:

- (i) the opening of such security has been delayed due to order imbalances.
- (ii) the Exchange has been advised that the issuer of the security is about to make an important announcement affecting such issue.
- (iii) other unusual conditions or circumstances are present.
- (iv) trading in such security has been halted or suspended in one or more of the markets trading such security.]]

(3) A designated Exchange official may halt trading (including a rotation) for a class or classes of options contracts whenever there is a halt of trading in an underlying security in one or more of the markets trading the underlying security. In such event, without the need for action by the Primary Market Maker, all trading in the effected class or classes of options may be halted. The Exchange shall disseminate through its trading facilities and over OPRA a symbol in respect of such class or classes of options indicating that trading has been halted, and a record of the time and duration of the halt shall be made available to vendors. [[Similarly, a designated Exchange official will halt trading for an Equity Security whenever there is a halt of trading in that security in the primary market.]] During a halt, the Exchange will maintain existing orders on the book (but not existing quotes prior to the halt), accept orders and quotes, and process cancels and modifications, except existing quotes are cancelled.

(4) No change.

**(b) Resumptions.** Trading in a stock option that has been the subject of a halt under paragraph (a)(1) above[, or trading in an Equity Security that has been the subject of a halt under paragraph (a)(2) above]], may be resumed upon the determination by an Exchange official designated by the Board that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading.

(c) and (d) No change.

***Supplementary Material to Rule 702***

.01 No change

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**Chapter 21. Reserved [[ISE Stock Exchange, LLC Trading Rules**

**Rule 2100. Introduction**

(a) *General.* The ISE Stock Exchange is the Exchange's facility for trading Equity Securities. The Rules in this Chapter 21 are applicable only to trading on the ISE Stock Exchange. However, trading on the ISE Stock Exchange also is subject to the rules in Chapters 1 through 4 6, 7, and 12 through 18, as specified in Appendix A, to the same extent as such rules apply to the trading of option contracts, provided that:

- (1) In some cases, such Rules specifically are supplemented by Rules in this Chapter;
- (2) Certain rules are specifically superseded by Rules in this Chapter; and
- (3) Such Rules shall not apply where the context otherwise requires.

Appendix A to this Chapter lists the rules in Chapters 1 through 4, 6, 7, and 12 through 18 that are applicable to the trading of Equity Securities. Where appropriate, Appendix A also indicates that a rule in such Chapters has been supplemented by a rule in this Chapter.

(b) Reserved.

(c) *Definitions.* The following terms shall have the meaning specified in this Rule solely for the purpose of this Chapter 21:

- (1) "Automated Quotation" means a quotation displayed by a Trading Center that: (i) permits an incoming order to be marked as immediate-or-cancel; (ii) immediately and automatically executes an order marked as

immediate-or-cancel against the displayed quotation up to its full size; (iii) immediately and automatically cancels any unexecuted portion of an order marked as immediate-or-cancel without routing the order elsewhere; (iv) immediately and automatically transmits a response to the sender of an order marked as immediate-or-cancel indicating the action taken with respect to such order; and (v) immediately and automatically displays information that updates the displayed quotation to reflect any change to its material terms.

(2) “Automated Trading Center” means a Trading Center that: (i) has implemented such systems, procedures, and rules as are necessary to render it capable of displaying quotations that meet the requirements for an Automated Quotation; (ii) identifies all quotations other than Automated Quotations as Manual Quotations; (iii) immediately identifies its quotations as Manual Quotations whenever it has reason to believe that it is not capable of displaying Automated Quotations; and (iv) has adopted reasonable standards limiting when its quotations change from Automated Quotations to Manual Quotations, and vice versa, to specifically defined circumstances that promote fair and efficient access to its Automated Quotations and are consistent with the maintenance of fair and orderly markets.

(3) The “Best Available Price” on the ISE Stock Exchange means the highest bid price and the lowest offer price, including orders with executable undisplayed interest to buy or sell and interest to buy or sell that may exist in the MidPoint Match according to Rule 2129.

(4) “Crossing quotation” means the display of a bid for an NMS Stock during regular trading hours at a price that is higher than the price of an offer for such NMS Stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS Stock during regular trading hours at a price that is lower than the price of a bid for such NMS Stock previously disseminated pursuant to an effective national market system plan.

(5) “Displayed Order” means a limit order that is displayed in the order book, in whole or in part, and is available for potential execution against all incoming orders until executed in full or canceled.

(6) “Equity EAM” means an Electronic Access Member authorized by the Exchange to trade on the ISE Stock Exchange. Any Electronic Access Member may become an Equity EAM upon certification of operational connectivity to the ISE Stock Exchange, by paying any applicable access fees and establishing and maintaining the ability to clear ISE Stock Exchange trades at a clearing agency registered under Section 17A of the Exchange Act, either by self-clearing or through use of a member clearing firm.

(7) "Equity Securities" means common stock, Commodity-Based Trust Shares, Currency Trust Shares, Partnership Units, Trust-Issued Receipts including those based on Investment Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Portfolio Depositary Receipts, Index-Linked Exchangeable Notes, and Investment Company Units.

(8) "Locking Quotation" means the display of a bid for an NMS Stock during regular trading hours at a price that equals the price of an offer for such NMS Stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS Stock during regular trading hours at a price that equals the price of a bid for such NMS Stock previously disseminated pursuant to an effective national market system plan.

(9) "Manual Quotation" means any quotation other than an Automated Quotation.

(10) "Mixed lots" means an order that is for more than a round lot unit of trading but not a multiple thereof.

(11) "NBBO" means the national best bid and offer in an Equity Security as calculated and disseminated pursuant to the Consolidated Quotation Plan or the Nasdaq/National Market System Unlisted Trading Privileges Plan, as applicable.

(12) "NMS Security" means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in listed options.

(13) "NMS Stock" means any NMS Security other than an option.

(14) "Odd lots" means an order to buy or sell less than one round lot.

(15) "Protected Bid" or "Protected Offer" means an Automated Quotation that is the best bid or best offer of an Automated Trading Center, as calculated and disseminated pursuant to the Consolidated Quotation Plan or the Nasdaq/National Market System Unlisted Trading Privileges Plan, as applicable.

(16) "Protected Quotation" means a Protected Bid or Protected Offer.

(17) "Round lot order" means an order to buy or sell in multiples of 100 shares, unless stated otherwise on a case-by-case basis.

(18) "Routing Agreement" means the form of Agreement between an Equity EAM and the broker-dealer routing facility of the ISE Stock Exchange, under which the broker-dealer routing facility of the ISE Stock Exchange, agrees to act as agent for routing orders of the Equity EAM entered into the ISE Stock Exchange to other market centers or broker-dealers for execution, other than orders excluded by the terms of the Routing Agreement, whenever such routing is required.

(19) "Trade-Through" means the purchase or sale of a security during regular trading hours at a price that is lower than a Protected Bid or higher than a Protected Offer.

(20) "Trading Center" means a national securities exchange or national securities association that operates an SRO trading facility, an alternative trading system, an exchange market maker, an OTC market maker, or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent.

#### **Rule 2101. Equity Securities Traded**

##### *(a) Unlisted Trading Privileges.*

(1) The Exchange will trade securities in its ISE Stock Exchange facility only pursuant to unlisted trading privileges ("UTP") in accordance with Section 12(f) of the Exchange Act and the rules and regulations promulgated thereunder. Any security traded on the ISE Stock Exchange must be registered under the Exchange Act and must be listed on a national securities exchange. The ISE Stock Exchange will cease trading any security admitted to UTP if such security no longer is either listed on a national securities exchange. The Exchange will not list any securities. Therefore, the provisions of Rules 2123, 2124, 2125, 2126, 2127, 2130, 2131, and 2133 that permit the listing of securities other than common stock will not be effective until the Exchange files a proposed rule change under Section 19(b)(2) under the Exchange Act to amend its rules to comply with Rules 10A-3 and 10C-1 under the Exchange Act and to incorporate qualitative listing criteria, and such proposed rule change is approved by the Commission.

(2) Any security trading on the ISE Stock Exchange pursuant to UTP will be subject to all Exchange trading rules applicable to equity securities, unless otherwise noted. The Exchange shall file with the Commission a Form 19b-4(e) with respect to any such security that is a "new derivative securities product" as defined in Rule 19b-4(e) under the Exchange Act. In addition, any new derivative securities product traded on the Exchange pursuant to UTP shall be subject to the additional following rules:

(i) *Regulatory Information Circular*. The Exchange shall distribute a Regulatory Information Circular prior to the commencement of trading in such new derivative securities product that generally includes the same information as the information circular provided by the listing exchange, including: (A) the special risks of trading the new derivative securities product; (B) the exchange's rules that will apply to the new derivative securities product, including the suitability rule; (C) information about the dissemination of the value of the underlying assets or indexes; and (D) the risk of trading during the Pre-Market Session due to the lack of calculation or dissemination of the Intra-day Indicative Value (as defined in Rule 2123) or a similar value.

(ii) *Prospectus Delivery/Product Description*: Equity EAMs are subject to the prospectus delivery requirements under the Securities Act of 1933, unless the new derivative securities product is the subject of an order by the Securities and Exchange Commission exempting the product from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and the product is not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. The Exchange shall inform its Equity EAMs regarding the application of the provisions of this subparagraph to a particular series of Units or PDRs by means of a Regulatory Information Circular:

The Exchange requires that Equity EAMs provide to all purchasers of a series of Units or PDRs a written description of the terms and characteristics of those securities, in a form approved by the Exchange or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Equity EAMs shall include a written description with any sales material relating to a series of Units or PDRs that is provided to customers or the public. Any other written materials provided by an Equity EAM to customers or the public making specific reference to the series of Units or PDRs as an investment vehicle must include a statement substantially in the following form: "A circular describing the terms and characteristics of [*the series of Units or PDRs*] has been prepared by the [*open-ended management investment company name*] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [*the series of Units or PDRs*]."

An Equity EAM carrying an omnibus account for a non-Equity EAM is required to inform such non-Equity EAM that execution of an order to purchase a series of Units or PDRs for such omnibus account will be deemed to constitute an agreement by the non-Equity EAM to make such written description available to its customers on the same terms as are directly applicable to the Equity EAM under this rule.

Upon request of a customer, an Equity EAM shall also provide a prospectus for the particular series of Units or PDRs.

(iii) Trading Halts.

(A) If a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value (or a similar value) or the value of the underlying index or instrument and the listing market halts trading in the product, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in that product on the Exchange.

(B) For a new derivative securities product where a net asset value (and, in the case of managed fund shares or actively managed exchange-traded funds, a “disclosed portfolio”) is disseminated, the Exchange will immediately halt trading in such security upon notification by the listing market that the net asset value or, if applicable, such disclosed portfolio is not being disseminated to all market participants at the same time. The Exchange may resume trading in the new derivative securities product only when trading in the new derivative securities product resumes on the listing market.

(iv) The Exchange shall enter into a comprehensive surveillance sharing agreement ("CSSA") with markets trading components of the index or portfolio on which the new derivative securities product is based to the same extent as the listing exchange's rules require the listing exchange to enter into a CSSA with such markets.

(b) *Trading in the Exchange's Equity Securities.* If the Exchange trades its own securities, or the securities of an affiliate, or any entity that operates and/or owns a trading system or facility of the Exchange, on the ISE Stock Exchange, the Exchange shall file a report each quarter with the SEC describing: (i) the Exchange's monitoring of such issuer's compliance with the Exchange's listing standards (in the event the Exchange adopts such listing standards), including (a) the issuer's compliance with any applicable bid price requirement and (b) the issuer's compliance with each of the applicable quantitative and qualitative maintenance requirements; and (ii) the Exchange's monitoring of the trading of the security, which shall include summaries of all related surveillance alerts, complaints, regulatory referrals, busted or adjusted trades, investigations, examinations, formal and informal disciplinary actions, exceptions reports and the trading data. In addition, if the Exchange adopts listing standards, once a year, an independent accounting firm shall review the listing standards for the subject security to ensure that the issuer is in compliance with such listing requirements, and a copy of the report shall be forwarded promptly to the Commission.

In the event the Exchange determines that the subject issuer is non-compliant with any listing standard, the Exchange shall file a report with the Commission at the same time the Exchange notifies the issuer of its non-compliance. The report shall identify the date of non-compliance, type of non-compliance, and any other material information conveyed to the issuer in the notice of non-compliance. Within five business days of receipt of a plan of remediation from the issuer, the Exchange shall notify the Commission of such receipt, whether the plan of remediation was accepted by the Exchange and the time period provided to regain compliance with the Exchange's listing standards.

### **Rule 2102. Hours of Business**

The ISE Stock Exchange shall have three trading sessions each day the Exchange is open for business unless otherwise determined by the Exchange. Except under unusual conditions as may be determined by the Board of Directors, the hours during which transactions may be made on the ISE Stock Exchange are:

(a) *Pre-Market Session.* The Pre-Market Session shall begin at 8:00 a.m. and conclude when a security is opened as provided in Rule 2106.

(b) *Regular Market Session -- Common Stocks.* The Regular Market Session for common stocks commence with the Opening Transaction, as provided in Rule 2106, and shall continue until the primary listing market closes such security, which is either 4:00 p.m. or 4:15 p.m. Eastern Time.

(c) *Regular Market Session -- Securities Other than Common Stock.* The hours during which transactions in securities other than common stock may be made on the ISE Stock Exchange are as provided in Rules 2123, 2124, 2125, 2126, 2127, 2130 and 2131.

(d) *Post-Market Session.* The Post-Market Session shall begin following the conclusion of the Regular Market Session and conclude at 8:00 p.m. Eastern Time.

(e) Trading Halts for new derivative securities products, as defined in Rule 2101(a)(2).

(1) Pre-Market Session. If a security begins trading on the Exchange in the Pre-Market Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value ("IIV") or the value of the underlying index, as applicable, to such derivative securities product, by a major market data vendor, the Exchange may continue to trade the derivative securities product for the remainder of the Pre-Market Session

(2) Regular-Market Session. The Exchange will halt trading during the Regular-Market Session when required by, and in accordance with, Rule 2101(a)(2)(iii)(A) and (B).

(3) Post-Market Session and Next Business Day's Pre-Market Session.

(ii) If the IIV or the value of the underlying index continues not to be calculated or widely available after the close of the Regular-Market Session, the Exchange may trade the derivative securities product in the Post-Market Session only if the listing market traded such securities until the close of its regular trading session without a halt.

(iii) If the IIV or the value of the underlying index continues not to be calculated or widely available as of the commencement of the Pre-Market Session on the next business day, the Exchange shall not commence trading of the derivative securities product in the Pre-Market Session that day. If an interruption in the calculation or wide dissemination of the IIV or the value of the underlying index continues, the Exchange may resume trading in the derivative securities product only if calculation and wide dissemination of the IIV or the value of the underlying index resumes or trading in the derivative securities product resumes in the listing market.

(d) Trading Pauses in Individual Securities Due to Extraordinary Market Volatility.

(1) Trading Pause. Between 9:45 a.m. and 3:35 p.m., if the price of an exchange-listed security, other than rights and warrants, moves by 10% or more within a five-minute period ("Threshold Move"), as calculated by the primary market, trading in that security shall immediately pause on the primary listing market for a period of five minutes (a "Trading Pause").

(2) If a primary listing market issues an individual stock Trading Pause, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

(3) Re-opening of Trading following a Trading Pause. At the end of a Trading Pause, the Exchange shall re-open the security in accordance with the procedures set forth in Rule 2106(e).

(4) For a pilot period ending on the earlier of the initial date of operations of the Regulation NMS Plan to Address Extraordinary Market

Volatility or February 4, 2014, the provisions of this Rule shall be in effect with respect to NMS Stocks.

(g) Trading Halts Due to Extraordinary Market Volatility

(1) Trading in all stocks will halt on the Exchange and will not re-open for the time periods described in this Rule if there is a Level 1, 2, or 3 Market Decline.

(i) For purposes of this Rule, a Market Decline means a decline in price of the S&P 500<sup>®</sup> Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500<sup>®</sup> Index for the immediately preceding trading day. The Level 1, Level 2 and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated by the primary listing market before 9:30 a.m.

(ii) A “Level 1 Market Decline” means a Market Decline of 7%.

(iii) A “Level 2 Market Decline” means a Market Decline of 13%.

(iv) A “Level 3 Market Decline” means a Market Decline of 20%.

(2) Halts in Trading.

(i) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m., trading in all stocks will halt on the Exchange for 15 minutes after a Level 1 or Level 2 Market Decline. Trading in all stocks will halt on the Exchange based on a Level 1 or Level 2 Market Decline only once per trading day. Trading in all stocks will not halt on the Exchange if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m.

(ii) If a Level 3 Market Decline occurs at any time during the trading day, trading in all stocks will halt on the Exchange until the primary listing market opens the next trading day.

(3) Re-opening of Trading

(i) The re-opening of trading following a trading halt under this Rule will be conducted pursuant to procedures adopted by the Exchange and communicated by information circular to its Members.

(ii) If the primary listing market halts trading in all stocks, trading will halt on the Exchange in those stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not re-open a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(4) Nothing in this Rule 2102 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

### ***Supplementary Material to Rule 2102***

.01. Pre-Market Session. During the Pre-Market Session, the ISE Stock Exchange will disseminate bids and offers to all market participants and the public in the same manner as it does during the Regular Market Session, and trading will be conducted according to the same rules as the Regular Market Session with the following exceptions: (1) the MidPoint Match process contained in Rule 2129 will not be available during the Pre-Market Session; (2) prior to 9:30 a.m., orders will be executed without respect to prices that may be available at other Trading Centers; and (3) market orders will not be accepted in the Pre-Market Session.

.02 Pre-Opening Orders. Orders must be marked as Pre-Opening Orders to participate in the Pre-Market Session; provided, however, that starting at 9:30 a.m. and continuing until the conclusion of the Pre-Market Session, all incoming orders marked as ISO or immediate-or-cancel also will be executed in the Pre-Market Session even when not specifically marked as Pre-Opening Orders.

.03 Post-Closing Orders. Orders must be marked as Post-Closing orders to participate in the Post-Market Session. Orders entered prior to the close of the Regular Market Session will be canceled upon closing of the Regular Market Session, unless marked to participate in the Post-Market Session.

.04 Customer Disclosures. No Equity EAM may accept an order from a non-Equity EAM for execution in the Pre-Market or Post-Market Session without disclosing to such non-Equity EAM that: (1) an order must be designated specifically for trading in the Pre-Market and/or Post-Market Session to be eligible for trading in such session(s); and (2) trading in the Pre-Market and Post-Market hours involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for derivative securities products.

.05 Form of Disclosure. The disclosures required pursuant to paragraph .04 above may take the following form or such other form as provides substantially similar information:

(1) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in Pre-Market and Post-Market hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

(2) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in Pre-Market and Post-Market hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in Pre-Market and Post-Market hours trading compared to what you would have received during regular markets hours.

(3) Risk of Changing Prices. The prices of securities traded during Pre-Market hours may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in Pre-Market and Post-Market hours trading than you would during regular market hours.

(4) Risk of Unlinked Markets. Depending on the Pre-Market and Post-Market hours trading system or the time of day, the prices displayed on a particular Pre-Market and Post-Market hours system may not reflect the prices in other concurrently operating Pre-Market and Post-Market hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in either the Pre-Market or Post-Market hours trading system compared to what you would have received in another Pre-Market or Post-Market hours trading system.

(5) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In Pre-Market and Post-Market hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(6) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in Pre-Market and Post-Market hours trading may result in wider than normal spreads for a particular security.

(7) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Pre-Market or Post-Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during either the Pre-Market or Post-Market hours, an investor who is unable to calculate implied values for certain derivative securities products during either the Pre-Market or Post Market hours may be at a disadvantage to market professionals.

### **Rule 2103. Exchange Authority**

In addition to such other powers and duties as the Board may prescribe, an Exchange official designated by the Board shall have the power: (a) to supervise the initiation of trading of Equity Securities on the ISE Stock Exchange; (b) to halt or to resume trading in an Equity Security on the ISE Stock Exchange when, in the opinion of such official, such action is appropriate in the interests of a fair and orderly market and to protect investors; (c) to resolve market disputes submitted to such officials by Equity EAMs; and (d) to regulate and supervise unusual situations that may arise in connection with trading on the ISE Stock Exchange when, in the opinion of such official, such action is appropriate in the interests of a fair and orderly market and to protect investors.

### **Rule 2104. Types of Orders**

(a) *Market Orders*. An order to buy or sell the stated quantity that is to be executed at the Best Available Price(s) when the order reaches the ISE Stock Exchange.

(b) *Limit Orders*. An order to buy or sell a stated quantity at a specified price or better.

(c) *Day Orders*. Orders that expire at the end of the trading day on which they are entered.

(d) *Discretionary Orders*. Orders to buy or sell a stated amount of a security at a specified, undisplayed price (the "discretionary price"), in addition to at a specified, displayed price ("displayed price").

(e) *Fill-or-Kill ("FOK") Orders*. Orders that are to be executed in their entirety or canceled upon receipt.

(f) *Immediate-or-Cancel ("IOC") Orders*. Orders that are to be executed in whole or in part upon receipt, and if not so executed are to be canceled.

(g) *Intermarket Sweep Orders (“ISOs”)*. Orders that are designated as ISOs are limit orders that are executed within the System at multiple price levels without respect to quotations of other market centers. ISOs are immediately executable within the System pursuant to .02 to the Supplementary Material to Rule 2107 and shall not be eligible for routing out as set out in Rule 2107(d).

Beginning after the Trading Phase Date, in connection with the trading of securities governed by Regulation NMS, ISOs will be executed within the System at multiple price levels without respect to Protected Quotations of other Trading Centers within the meaning of Rule 600(b) of Regulation NMS under the Exchange Act of 1934.

Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering Equity EAM to execute against the full displayed size of any Protected Bid or Offer in the case of a limit order to sell or buy with a price that is superior to the limit price of the limit order identified as an Intermarket Sweep Order (as defined in Rule 600(b) of Regulation NMS under the Act). These additional routed orders must be identified as Intermarket Sweep Orders.

(h) *Not Routable*. Limit orders that are to be executed in whole or in part upon receipt, and if not fully executed, displayed on the ISE Stock Exchange if possible as provided in Rule 2107(b)(2)(iii).

(i) *Pegged Orders*. Limit orders to buy or sell a stated amount of a security at a displayed price set to track the current bid or ask of the NBBO in an amount specified by the Equity EAM. The tracking of the relevant Consolidated Quote information for Pegged Orders will occur on a real-time basis. The associated price of each Pegged Order that is updated will be assigned a new entry time with priority in accordance with Rule 2107. A Pegged Order may be designated as a Discretionary Order. The displayed price of a Pegged Order designated as a Discretionary Order will be used to reflect changes in the NBBO (the discretionary price of a Pegged Order will re-price based on the corresponding change in the displayed price). If the calculated price for the Pegged Order would exceed its limit price, it will no longer track and will remain displayed at its limit price.

(j) *Post Only*. Limit orders that are to be displayed on the ISE Stock Exchange upon receipt or canceled.

(k) *Pre-Opening Order*. Orders that are eligible for execution during Pre-Market Session trading. Unexecuted Pre-Opening Orders will become Day Orders upon commencement of the Regular Market Session.

(l) *Post-Closing Order*. Orders that are eligible for execution during Post-Market Session trading.

(m) *Re-price*. Orders that are to be automatically re-priced for display on the ISE Stock Exchange instead of being cancelled. If display of the order would create a violation of Rule 2112 by locking or crossing the Protected Quotation of a Trading

Center, or would cause a violation of Rule 2107(b) by trading-through the Protected Quotation of Trading Center, the order will be re-priced to the highest price that is displayable on the ISE Stock Exchange (for orders to buy), and to the lowest price that is displayable on the ISE Stock Exchange (for orders to sell).

(n) *Reserve Orders*. Limit orders with a portion of the size that is to be displayed and with a reserve portion of the size (“reserve size”) at the same price that is not to be displayed, but is to be used to refresh the displayed size when the displayed size is executed in full.

(o) *Stop Orders*. Orders that become market orders when the stop price is elected. A stop order to buy is elected when a transaction in the security occurs on the ISE Stock Exchange or on another Trading Center at or above the “stop” price. A stop order to sell is elected when a transaction in the security occurs on the ISE Stock Exchange or another Trading Center at or below the “stop” price.

(p) *Stop Limit Orders*. Orders that become limit orders when the stop price is elected. A stop limit order to buy is elected when a transaction in the security occurs on the ISE Stock Exchange or another Trading Center at or above the “stop” price. A stop limit order to sell is elected when a transaction in the security occurs on the ISE Stock Exchange or another Trading Center at or below the “stop” price.

(q) *Cross*. An order to buy and sell the same security at a specific price better than the best bid and offer displayed in the System and equal to or better than the NBBO.

(r) *Cross with size*. A cross order to buy and sell at least 5,000 shares of the same security with a market value of at least \$100,000.00 (1) at a price equal to or better than the best bid and offer displayed in the System and the NBBO (2) where the size of the order is larger than the largest order displayed in the System at that price.

(s) *Midpoint Cross*. A cross order with an instruction to execute it at the midpoint of the NBBO. If the NBBO is locked at the time the midpoint cross is received, it will execute at the locked NBBO. If the NBBO is crossed at the time the midpoint cross is received, the midpoint cross will be automatically canceled. Midpoint cross orders may be executed and reported in increments as small as one-half of the Minimum Price Variation.

(t) *ISO Cross Order*. Any type of cross order marked as required by Rule 600(b)(30) of Regulation NMS is to be executed without taking any of the actions described in Rule 2107(d). These orders shall be executed because the Equity EAM routing the order to the System has represented that the Equity EAM has satisfied the quotations of other markets as required by Rule 600(b)(30).

**2105. Order Entry**

(a) *Marking of Orders.* All orders must be marked as “buy,” “sell,” “sell short.”

(b) *Regular Way Trading.* Orders on the ISE Stock Exchange may only be “regular way,” that is, for delivery no later than the third business day following the day of the contract unless the rules of the Clearing Corporation otherwise direct.

(c) *Order Specifications*

(1) All limit orders that are not immediately executed will be Day Orders.

(2) Odd lot orders are rejected by the System; provided, however, that cross orders, as defined in 2104(p), (q), (r) and (s), and the stock leg(s) of a complex order, as defined in 722(a), may be entered in odd lots and executed in their entirety by the System.

(3) Mixed lot orders may be entered, but the odd lot component of a mixed lot order will not receive an execution and will be canceled upon the execution or cancellation of the last round lot component in the mixed lot order; provided, however, that cross orders, as defined in 2104(p), (q), (r) and (s), and the stock leg(s) of a complex order, as defined in 722(a), may be entered in mixed lots and executed in their entirety by the System.

(d) Equity EAMs may enter into the ISE Stock Exchange the types of orders listed in Rule 2104; provided, however, no Equity EAM may enter an order other than a Fill-or-Kill, Not-Routable, or Post Only Order unless the Equity EAM has entered into a Routing Agreement.

**2106. Opening Process**

(a) *Order Entry and Cancellation before the Opening.* Prior to market open, Equity EAMs may enter orders.

(1) All order types other than Stop/Stop Limit, Post Only, FOK and IOC may participate in the opening transaction. Reserve orders may participate to the full extent of their size. Discretionary orders may participate at their most aggressive prices. Pegged orders will have limit prices based upon the NBBO that is required for the opening transaction to occur.

(2) Orders to participate in the opening transaction may be to buy, sell or sell short orders only.

(3) For orders greater than or equal to \$1.00, the ISE Stock Exchange and MPM orders will open together in a batch opening process.

(b) *Performing the Opening Transaction.* The Opening Transaction matches buy and sell orders that are executable at the midpoint of the NBBO as described in paragraph (d) below. All orders eligible to trade at the midpoint will be processed in time sequence, beginning with the oldest order. Matches will occur until there is no remaining volume or there is an imbalance of orders. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders may, in whole or in part, be displayed on the order book, canceled, or routed to other Trading Centers in accordance with Rule 2107(d).

(c) *Primary Market.* For the purposes of this Rule 2106, the primary market is the listing market for a security. If a security is traded on both the NYSE and the Amex, the primary market would be considered the NYSE. If a security is listed on both the NYSE and Nasdaq, the NYSE would be considered the primary market.

(d) *Determining the Opening Price.* The opening price will be at the midpoint of the NBBO.

(1) When the primary market is either the NYSE or the Amex, the opening trade will be executed at the midpoint of the first reported NBBO subsequent to a reported trade on the primary market after 9:30:00 a.m.

(2) When the primary market is Nasdaq or NYSE Arca, the opening trade will be executed at the midpoint of the first reported NBBO after 9:30:00 a.m.

(e) *Re-openings.* Re-openings will be handled in the same manner as openings.

(f) *Closing.* The System will cease matching orders in a security upon the close of the primary market for such security.

### **2107. Priority and Execution of Orders**

(a) *Priority.* The highest priced displayed orders to buy and the lowest priced displayed orders to sell have priority on the ISE Stock Exchange (*i.e.*, price priority), unless price improvement is available in Midpoint Match (*See* 2129). If there are two or more orders at the same price, priority shall be afforded in the sequences in which they are received by the Exchange (*i.e.*, time priority).

(1) Reserve Orders. All displayed size of all orders at a particular price on the ISE Stock Exchange will be executed in full before the reserve size of a reserve order. When the displayed size of a reserve order is replenished from the reserve size, the displayed order is considered newly entered for purposes of time priority.

(2) Stop Limit Orders. Stop limit orders are considered newly entered at the time of their election for purposes of time priority.

(3) Pegged Orders. Pegged Orders are considered newly entered at each time the price of the pegged order is updated for purposes of time priority.

(b) *Order Execution*. All orders are handled automatically by the ISE Stock Exchange. Except for cross, cross with size, displayed mid-point cross and ISO cross orders, which shall be executed as described in paragraph (2)(vii) below, all orders are available for price improvement at the midpoint of the NBBO if contra-side interest exists in Midpoint Match. Except as specified below in paragraph (c), orders will not be executed at prices that are inferior to Protected Quotations available at other Trading Centers.

(1) Regular Orders.

(i) Market orders. Market orders are executed immediately upon receipt at the Best Available Prices to the greatest extent possible without causing a Trade-Through. Any unexecuted balance of a market order will be routed to another Trading Center(s) with a Protected Bid or Protected Offer as provided in paragraph (d) below.

(ii) Marketable Limit Orders. Limit Orders that are executable immediately upon receipt will be immediately executed at the Best Available Prices to the greatest extent possible without causing a Trade-Through. Any unexecuted balance of a limit order will be routed to another Trading Center(s) with a Protected Bid or Protected Offer and/or placed on the ISE Stock Exchange order book as provided in paragraph (d) below.

(2) Special Orders.

(i) Immediate-or-Cancel. IOC orders are immediately executed upon receipt at the Best Available Prices to the greatest extent possible without causing a Trade-Through. Any unexecuted balance of an IOC order will be canceled.

(ii) Fill-or-Kill. FOK orders are immediately executed upon receipt in their entirety at the Best Available Prices possible without causing a Trade-Through or executing against an order that has been entered on an order delivery basis. If an FOK order cannot be executed on the ISE Stock Exchange in its entirety without causing a Trade-Through or executing against an order that has been entered on an order delivery basis, it will be canceled.

(iii) Not Routable. Not routable orders that are executable upon receipt will be immediately executed at the Best Available Prices to the greatest extent possible without causing a Trade-Through. Any unexecuted balance of a not routable order either will be (A) canceled if the order is executable against a Protected Bid or Protected Offer at

another Trading Center, or (B) placed on the ISE Stock Exchange order book.

(iv) **Post Only.** Post only orders will be placed on the ISE Stock Exchange order book upon receipt, or will be canceled if they cannot be placed on the order book because either they are executable (A) upon entry, or (B) against a Protected Bid or Protected Offer at another Trading Center.

(v) **Stop Orders and Stop Limit Orders.** A stop order is considered a market order at the time it is elected and will be handled according to (b)(1)(i) above. A stop limit order is considered a limit order at the time it is elected and will be handled according to (b)(1)(ii) above.

(vi) **Discretionary Orders.** If the price of a discretionary order, whether displayed or undisplayed, is executable immediately upon receipt, it will be handled according to (b)(1)(ii) above. The undisplayed price of a discretionary order is available for execution against opposing limit orders within the discretionary range (i.e., at the discretionary price or at a price that is between the displayed price and the discretionary price).

(vii) **Cross Orders.** Cross, cross with size, displayed mid-point cross, and ISO cross orders shall be automatically executed if they meet the requirements set forth in Rule 2104 (p), (q), (r), or (s) above. If an order designated as cross, cross with size, displayed mid-point cross, or ISO cross orders does not meet such requirements at the time it is received by the System, it shall be immediately canceled.

(c) **Trade-Through Exceptions.** The transactions in (b) above may be executed at prices that cause a Trade-Through in the following circumstances, as set forth in Rule 611 of Regulation NMS under the Securities Exchange Act of 1934:

(1) **Self-help.** If another Trading Center repeatedly fails to respond within one second to incoming orders attempting to access its Protected Quotations, the ISE Stock Exchange may bypass those Protected Quotations by:

(i) Notifying the non-responding Trading Center immediately after (or at the same time as) electing self-help; and

(ii) Assessing whether the cause of the problem lies with its own systems and, if so, taking immediate steps to resolve the problem.

(2) **Intermarket Sweep Orders.**

(i) The transaction that constitutes the Trade-Through is the execution of an order identified as an ISO, or;

(ii) The transaction that constitutes the Trade-Through is effected by the ISE Stock Exchange when it simultaneously routes an ISO to execute against the full displayed size of any Protected Quotations traded through.

(iii) Subsequent to the implementation of the Trading Phase Date by the Commission, in connection with the trading of securities governed by Regulation NMS, Intermarket Sweep Orders shall be executed exclusively within the System and the entering Equity EAM shall be responsible for compliance with Regulation NMS Order Protection Rule and Locked and Crossed Market Rule with respect to such orders. Orders eligible for execution outside the System shall be processed in compliance with Regulation NMS, including accessing Protected Quotations and resolving locked and crossed markets, as instructed.

(3) Crossed quotations. The transaction that constitutes the Trade-Through is executed at a time when the Protected Quotations are crossed.

(4) Exemptions

(i) Contingent Order Exemption. Transactions qualifying as "Qualified Contingent Trades" may trade-through both Manual and Protected Quotes.

(ii) A "Qualified Contingent Trade" is a transaction consisting of two or more component orders, executed as agent or principal, where:

(A) at least one component order is in an NMS stock;

(B) all components are effected with a product or price contingency that either has been agreed to by the respective counterparties or arranged for by a broker-dealer as principal or agent;

(C) the execution of one component is contingent upon the execution of all other components at or near the same time;

(D) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined at the time the contingent order is placed;

(E) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of

participants in mergers or with intentions to merge that have been announced or since cancelled; and

(F) the Exempted NMS Stock Transaction is fully hedged (without regard to any prior existing position) as a result of the other components of the contingent trade.

(d) *Routing Order to Other Exchanges.* When the ISE Stock Exchange does not have contra-side interest resident in its System equal to or better than a Protected Bid or Protected Offer, it will handle orders that are marketable against a Protected Bid or Protected Offer at one or more Trading Centers as follows:

(1) Market Orders and Executable Limit Orders. An IOC or ISO will automatically be sent to one or more Trading Centers with a Protected Bid or Protected Offer that is better than the ISE Stock Exchange quote for the lesser of the full displayed size of the Protected Bid or Protected Offer or the balance of the order. Any additional balance of the order will be executed on the ISE Stock Exchange simultaneously. If the market is crossed, the order will be executed as described above in this section.

(2) Unexecutable Limit Orders. If display of a limit order (or any balance thereof) on the ISE Stock Exchange would lock or cross a Protected Bid or Protected Offer, an ISO order will automatically be sent to one or more Trading Centers with a Protected Bid or Protected Offer that would be locked or crossed by the display of the order for up to the full displayed size of the Protected Bid or Protected Offer. Any additional balance of the order will be displayed on the ISE Stock Exchange immediately.

(3) Unexecutable Market Order. An IOC will automatically be sent to one or more Trading Centers with a Protected Bid or Protected Offer for the full size of the market order that is not executable on the ISE Stock Exchange.

(4) Canceled Orders. If the System is unable to route an order(s) to one or more Trading Centers displaying a Protected Bid or Protected Offer and execution of the order(s) on the ISE Stock Exchange would cause a Trade-Through not permitted under paragraph (c) of this rule, the order(s) will be canceled.

(e) *Order Delivery.* If an Equity EAM enters orders on an order delivery basis, the System will automatically confirm the availability of limit orders placed on the order book by such EAM prior to executing them against contra-side orders.

(1) To be eligible to place orders on the ISE Stock Exchange on an order delivery basis, an Equity EAM must demonstrate the ability to produce system response times that meet or exceed the maximum standard

set by the Exchange from time to time, which shall not exceed 100 milliseconds.

(2) The ISE Stock Exchange will automatically cancel a limit order designated for order delivery treatment if no response is received from the Equity EAM within a time limit established by the Exchange from time to time, which shall not exceed 500 milliseconds.

***Supplementary Material to Rule 2107***

.01 The Exchange will notify Equity EAMs of the required response times under paragraph (e) of Rule 2107 by issuing a Regulatory Information Circular.

**Rule 2108. Order Routing and Route Out Facility**

As described above, under certain circumstances, the Exchange will route orders entered into the System to other markets for execution. The Exchange shall enter into an agreement with a third party, to be a facility of the Exchange (“Routing Facility”), to provide these routing services.

(a) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including the Routing Facility), and any other entity, including any affiliate of the Routing Facility, and, if the Routing Facility or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the Routing Facility or affiliate that provides the other business activities and the routing services.

(b) The books, records, premises, officers, directors, agents, and employees of the Routing Facility, as a facility of the Exchange, shall be deemed to be the books, records, premises, officers, directors, agents, and employees of the Exchange for purposes of and subject to oversight pursuant to the Exchange Act. The books and records of the Routing Facility, as a facility of the Exchange, shall be subject at all times to inspection and copying by the Exchange and the Commission.

(c) The books, records, premises, officers, directors, agents, and employees of the Direct Edge ECN LLC, as a facility of the Exchange, shall be deemed to be the books, records, premises, officers, directors, agents, and employees of the Exchange for purposes of and subject to oversight pursuant to the Exchange Act. The books and records of the Direct Edge ECN LLC, as a facility of the Exchange, shall be subject at all times to inspection and copying by the Exchange and the Commission.

**Rule 2109. Ex-Dividend**

Transactions in Equity Securities shall be ex-dividend or ex-rights on the second business day preceding the record date fixed by the issuer or the date of the closing of transfer books. Should such record date or such closing of transfer books occur upon a day other than a business day, this Rule shall apply for the third preceding business day.

**Rule 2110. Minimum Price Variation**

The minimum price variation ("MPV") for bids, offers, and orders that are displayed, ranked or accepted on the ISE Stock Exchange is \$0.01, with the exception of bids, offers, and orders that are priced less than \$1.00, for which the MPV is \$0.0001.

**Rule 2111. Manual Quotations**

*Identifying Quotations as "Manual"*. The ISE Stock Exchange will immediately identify its quotations as Manual Quotations whenever it has reason to believe that it is not capable of displaying Automated Quotations.

**Rule 2112. Locking or Crossing Quotations**

(a) *Definitions*. For purposes of this Rule, The terms automated quotation, effective national market system plan, intermarket sweep order, manual quotation, NMS stock, protected quotation, regular trading hours, and trading center shall have the meanings set forth in Rule 600(b) of Regulation NMS under the Securities Exchange Act of 1934.

(b) *Prohibition*. Except for quotations that fall within the provisions of paragraph (d) of this Rule, Members of the ISE Stock Exchange shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a Protected Quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan.

(c) *Manual quotations*. If a Member of the ISE Stock Exchange displays a manual quotation that locks or crosses a quotation previously disseminated pursuant to an effective national market system plan, such Member of the Exchange must promptly either withdraw the manual quotation or route an intermarket sweep order to execute against the full displayed size of the locked or crossed quotation.

(d) *Exceptions*.

(1) The locking or crossing quotation was displayed at a time when the ISE Stock Exchange was experiencing a failure, material delay, or malfunction of its systems or equipment.

(2) The locking or crossing quotation was displayed at a time when a Protected Bid was higher than a Protected Offer in the NMS stock.

(3) The locking or crossing quotation was an Automated Quotation, and the Member simultaneously routed an intermarket sweep order to execute against the full displayed size of any locked or crossed protected quotation.

(4) The locking or crossing quotation was a manual quotation that locked or crossed another manual quotation, and the Member simultaneously routed an intermarket sweep order to execute against the full displayed size of the locked or crossed manual quotation.

#### **Rule 2113. Borrowing and Delivery Requirements**

No Equity EAM shall accept, represent or execute for its own account or the account of any other person an order to sell an Equity Security on the ISE Stock Exchange unless such Equity EAM complies with Regulation SHO under the Exchange Act; provided, however, that transactions, securities or persons exempted from Regulation SHO under the Exchange Act by paragraph (d) of Rule 242.203 of Regulation SHO also are exempted from the requirements of this paragraph.

#### **Rule 2114. Doing Business with the Public**

An Equity EAM that does business with the public must also be a member of FINRA.

#### **Rule 2115. Limitation on Reporting Authorities' Liability**

(a) The term “Reporting Authority,” for purposes of this Rule, shall have the same meaning as set forth in Rule 2001(1).

(b) The disclaimers found under Rule 2011 shall apply to any Reporting Authority with respect to any index or portfolio underlying a series of index-related securities governed by the Rules of this Chapter. The terms “option” and “option contract” as used in Rule 2011 shall be deemed for the purpose of this Rule to include any index-related security governed by the Rules of this Chapter.

#### **Rule 2116. Sales Value Fee**

The Sales Value Fee is assessed by the Exchange to each Equity EAM for sales on the Exchange with respect to which the Exchange is obligated to pay a fee to the Commission under Section 31 of the Exchange Act. To the extent that there may be any excess monies collected under this rule, the Exchange may retain those monies to help fund its general operating expenses. The fee applies to the sale of all Equity Securities. The Exchange collects the fee indirectly from Equity EAMs through their clearing firms with respect to sales of such securities. The Sales Value Fee is equal to (a) the Section 31 fee rate multiplied by (b) the Equity EAM's aggregate dollar amount of covered sales resulting from transactions occurring on the Exchange during any computational period.

**Rule 2117. Settlement Through Clearing Corporations**

(a) The details of each transaction executed on the ISE Stock Exchange shall be automatically processed for clearance and settlement on a locked-in basis. Equity EAMs need not separately report their transactions to the Exchange for trade comparison purposes.

(b) An Equity EAM that does not maintain the ability to clear ISE Stock Exchange trades at a clearing agency registered under Section 17A of the Exchange Act, either by self-clearing or through use of a member clearing firm, will no longer be eligible to effect trades on the ISE Stock Exchange.

(c) Except as provided herein, transactions executed on the ISE Stock Exchange will be processed anonymously. The transaction reports will indicate the details of the transaction, but will not reveal contra party identities.

(d) The ISE Stock Exchange will reveal the identity of an Equity EAM or Equity EAM's clearing firm in the following circumstances:

(1) for regulatory purposes or to comply with an order of a court or arbitrator; or

(2) when the National Securities Clearing Corporation ("NSCC") division of the Depository Trust and Clearing Corporation ("DTCC") ceases to act for an Equity EAM or the Equity EAM's clearing firm and NSCC determines not to guarantee the settlement of the Equity EAM's trades; or

(3) on risk management reports provided to the contra party of the Equity EAM or Equity EAM's clearing firm each day after 4:00 p.m. that discloses trading activity on an aggregate dollar value basis.

(e) The ISE Stock Exchange will reveal to an Equity EAM, no later than the end of the day on the date an anonymous trade was executed, when that Equity EAM submits an order that has executed against an order submitted by that same Equity EAM.

(f) Any transaction occurring as a result of an order entered by an Equity EAM that is routed to another Trading Center pursuant to the rules of the Exchange shall be binding on the Equity EAM submitting the order and if the Equity EAM is not a self-clearing firm, then binding on the member clearing firm.

(g) In order to satisfy the Equity EAM's record keeping obligations under SEC Rules 17a-3(a)(1) and 17a-4(a), (i) the ISE Stock Exchange shall, with the exception of those circumstances described below in (ii), retain for the period specified in Rule 17a-4(a) the identity of each Equity EAM that executes an anonymous transaction described

in paragraph (b) of this rule, and (iii) Equity EAMs shall retain the obligation to comply with SEC Rules 17-3(a)(1) and 17-4(a) whenever they possess the identity of their contra party. In either case, the information shall be retained in its original form or a form approved under Rule 17a-6.

#### **Rule 2118. Trade Modifiers**

Following the compliance date for Rule 611 of Regulation NMS, the ISE Stock Exchange shall identify all trades executed pursuant to an exception or exemption from Rule 611 of Regulation NMS in accordance with specifications approved by the operating committee of the relevant national market system plan for an NMS Stock. If a trade is executed pursuant to both the intermarket sweep order exception of Rule 611(b)(5) or (6) and the self-help exception of Rule 611(b)(1), such trade shall be identified as executed pursuant to the intermarket sweep order exception.

#### **Rule 2119. Equity EAMs Acting as Brokers**

(a) *While Holding Unexecuted Market Order.* No Equity EAM shall on the ISE Stock Exchange: (1) buy or initiate the purchase of any security subject to the rules in this Chapter for its own account or for any account in which it or any of its members, partners, officers, or employees is directly or indirectly interested, while such Equity EAM has knowledge that it or any of members, partners, officers or employees holds an unexecuted market order to buy such security in the unit of trading for a customer, unless it immediately thereafter executes the customer market order up to the size and at the same price at which it traded for its own account or at a better price; or (2) sell or initiate the sale of any security subject to the rules in this Chapter for any such account, while the Equity EAM holds or has knowledge that it or any of its members, partners, officers or employees holds an unexecuted market order to sell such security in the unit of trading for a customer, unless it immediately thereafter executes the customer market order up to the size and at the same price at which it traded for its own account or at a better price.

(b) *While Holding Unexecuted Limit Order.* No Equity EAM shall on the ISE Stock Exchange (1) buy or initiate the purchase of any security subject to the rules in this Chapter for any such account, at or below the price at which it holds or has knowledge that it or any of its members, partners, officers or employees holds an unexecuted order with a boundary price to buy such security in the unit of trading for a customer; or (2) sell or initiate the sale of any security for any such account at or above the price at which it personally holds or has knowledge that it or any of its members, partners, officers or employees holds an unexecuted order with a boundary price to sell such security in the unit of trading for a customer. In the event that an Equity EAM trades ahead of an unexecuted customer limit order at a price that is equal to or better

than the unexecuted limit order, such Equity EAM is required to execute the limit order at the price received by the Equity EAM or better.

(c) *Intermarket Sweep Order Exemption.* The obligations under this rule shall not apply to trading for an Equity EAM's own account that is the result of an intermarket sweep order routed in compliance with Rule 600(b)(30)(ii) of Regulation NMS ("ISO") where the customer order is received after the Equity EAM routed the ISO. The obligations under this rule also shall not apply with respect to trading for an Equity EAM's own account that is the result of an ISO where the Equity EAM executes the ISO to facilitate a customer order and that customer has consented to not receiving the better prices obtained by the ISO.

### **Rule 2120. Taking or Supplying Securities**

No Equity EAM, who has accepted for execution, personally or through his firm or a partner, officer or shareholder thereof, an order for the purchase of securities shall fill such order by selling such securities for any account in which he or his firm, or a partner, officer or shareholder thereof has a direct or indirect interest, or having so accepted an order for the sale of securities shall fill such order by buying such securities for such an account, except as follows:

(a) An Equity EAM who neglects to execute an order may be compelled to take or supply for his own account or that of his firm the securities named in the order;

(b) An Equity EAM, acting for another member, may take the securities named in the order, provided (1) the price is justified by the condition of the market, and (2) the member who gave the order shall directly, or through a broker authorized to act for him, after prompt notification, accept the trade;

(c) An Equity EAM, acting for another member, may supply the securities named in the order, provided (1) the price is justified by the condition of the market and (2) the member who gave the order shall directly, or through a broker authorized to act for him, after prompt notification, accept the trade;

(d) An Equity EAM, acting as a broker, is permitted to report to his principal a transaction as made with himself when he has orders from two principals to buy and to sell the same security and not to give up his principals;

(e) An Equity EAM may purchase or sell for principal account the securities named in his customer's order provided that (1) the price is consistent with the market, and (2) full disclosure of the interest of the member is made to his customer on the confirmation of the trade.

### **Rule 2121. Trading by an Equity EAM in Its Own or Its Parent Firm's Securities**

After the completion of a distribution of its securities, no Equity EAM that has any publicly-held securities outstanding shall effect any transaction (except on an unsolicited basis) for the account of any customer in, or make any recommendation of, any such security issued by the Equity EAM or any corporation controlling, controlled by or under common control with such Equity EAM.

**Rule 2122. Comparison Does Not Create Contract**

No comparison or failure to compare, and no notification or acceptance of notification of failure to receive or failure to deliver shall have the effect of creating or of canceling a contract, or of changing the terms thereof, or of releasing the original parties from liability.

**Rule 2123. Investment Company Unit**

The Exchange will consider for listing and/or trading, whether pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise, units of trading ("Units" or "Investment Company Units") that meet the criteria of this paragraph. Investment Company Units traded on an unlisted trading privileges basis must comply with paragraph (c)(3), (c)(5), (f), (g), (h), (i) and (l) of this Rule 2123. A Unit is a security that represents an interest in a registered investment company ("Investment Company") that could be organized as a unit investment trust, an open-end management investment company, or a similar entity.

*(a) Original Unit Listing Standards.*

(1) The Investment Company must:

(i) hold securities (including Fixed Income Securities) comprising, or otherwise based on or representing an investment in, an index or portfolio of securities; or

(ii) hold securities in another registered investment company that holds securities as described in (i) above.

An index or portfolio may be revised as necessary or appropriate to maintain the quality and character of the index or portfolio.

(2) The Investment Company must issue Units in a specified aggregate number in return for a deposit (the "Deposit") consisting of either:

(i) a specified number of shares of securities (or if applicable, a specified portfolio of Fixed Income Securities) that comprise the index or portfolio, or are otherwise based on or represent an investment in securities comprising such index or portfolio, and/or a cash amount; or

(ii) shares of a registered investment company, as described in clause (a)(1)(ii) above, and/or a cash amount.

(3) Units must be redeemable, directly or indirectly, from the Investment Company for securities (including Fixed Income Securities) and/or cash then comprising the Deposit. Units must pay holders periodic cash payments corresponding to the regular cash dividends or distributions declared with respect to the securities held by the Investment Company, less applicable expenses and charges.

(4) For each series of Investment Company Units the Exchange will establish a minimum number of Units required to be outstanding at the time of commencement of trading on the Exchange. Notwithstanding the foregoing, for the initial listing of a series of Investment Company Units in reliance upon Rule 19b-4(e) under the Exchange Act, there must be at least 100,000 Units outstanding prior to the commencement of trading of a series of Units on the Exchange.

(5) Voting rights shall be as set forth in the applicable Investment Company prospectus.

(6) The Exchange will obtain a representation from the issuer for each series of Investment Company Units that net asset value per share will be calculated each business day and will be made available to all market participants at the same time.

(b) *Definitions.* For purposes of this Rule 2123, the following terms are defined below:

(1) U.S. Component Stock. The term “U.S. Component Stock” shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Exchange Act or an American Depositary Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Exchange Act.

(2) Non-U.S. Component Stock. The term “Non-U.S. Component Stock” shall mean an equity security that is not registered under Sections 12(b) or 12(g) of the Exchange Act and that is issued by an entity that (i) is not organized, domiciled or incorporated in the United States, and (ii) is an operating company (including real estate investment trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds and derivatives).

(3) Fixed Income Securities. Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities (“Treasury Securities”), government-sponsored entity securities (“GSE Securities”), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof.

*(c) Underlying Indices and Portfolios Consisting of U.S. Component Stocks and/or Non-U.S. Component Stocks.*

(1) The Exchange may list and/or trade specified series of Units, with each series based on a specified index or portfolio of securities consisting of U.S. Component Stocks and/or Non U.S. Component Stocks.

(2) Upon the initial listing of a series of Investment Company Units on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act, the component stocks of an index or portfolio underlying such series shall meet the criteria described in paragraphs (i), (ii) or (iii) below and the provisions of (c)(3) through (6) as of the date of the initial deposit of securities in connection with the initial issuance of such Investment Company Units:

(i) *U.S. Component Stocks.* Upon the initial listing of a series of Units pursuant to Rule 19b-4(e) under the Exchange Act on the Exchange, the components of an index or portfolio of U.S. Component Stocks underlying a series of Units shall meet the following criteria:

(A) Component stocks that in the aggregate account for at least 90 percent of the weight of the index or portfolio must have a minimum market value of at least \$75 million;

(B) Component stocks that in the aggregate account for at least 90 percent of the weight of the index or portfolio each must have a minimum monthly trading volume during each of the last six months of at least 250,000 shares;

(C) The most heavily weighted U.S. Component Stock may not exceed 30 percent of the weight of the index or portfolio, and the five most heavily weighted component stocks may not exceed 65 percent of the weight of the index or portfolio;

(D) The index or portfolio must include a minimum of 13 component stocks; and

(E) All securities in the underlying index or portfolio must be U.S. Component Stocks listed on a national securities exchange and shall be NMS stocks as defined in Rule 600 for Regulation NMS under the Exchange Act.

(ii) *Non-U.S. Component Stocks or Both U.S. Component Stocks and Non-U.S. Component Stocks.* Upon the initial listing of a series of Units pursuant to Rule 19b-4(e) under the Exchange Act, the components of an index or portfolio underlying a series of Units that consist of either (a) only Non-U.S. Component Stocks or (b) both U.S.

Component Stocks and Non-U.S. Component Stocks shall meet the following criteria:

(A) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each must have a minimum worldwide market value of at least \$100 million;

(B) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each must have a minimum worldwide monthly trading volume during each of the last six months of at least 250,000 shares;

(C) The most heavily weighted component stock may not exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks may not exceed 60% of the weight of the index or portfolio;

(D) The index or portfolio must include a minimum of 20 component stocks; and

(E) Each U.S. Component Stock must be listed on a national securities exchange and must be an NMS stock as defined in Rule 600 of Regulation NMS under the Exchange Act, and each Non-U.S. Component Stock must be listed and traded on an exchange that has last-sale reporting.

*(iii) Index or Portfolio Approved in Connection with Options or Other Derivative Securities:*

Upon the initial listing of a series of Investment Company Units pursuant to Rule 19b-4(e) under the Exchange Act, the index or portfolio underlying such series shall have been reviewed and approved for trading of options, Portfolio Depositary Receipts, Investment Company Units, index-linked exchangeable notes or index-linked securities by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information continue to be satisfied. Each component stock of the index or portfolio shall be either (A) a U.S. Component Stock that is listed on a national securities exchange and is an NMS stock as defined in Rule 600 of Regulation NMS under the Exchange Act or (B) a Non-U.S. Component Stock that is listed and traded on an exchange that has last sale reporting.

(3) Disseminated Information. The value of the index or portfolio must be calculated and disseminated to the public at least once per business day;

provided that, if the securities representing at least half the value of the index or portfolio are securities of a single country other than the United States, then the value of the index or portfolio may be calculated and disseminated to the public at least once per day that is a business day in that country.

If a series of Investment Company Units is listed for trading on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act, and invests solely in U.S. Component Stocks, the current value of the underlying index must be widely disseminated by one or more major market data vendors or disseminated over the consolidated tape at least every 15 seconds during trading hours on the Exchange.

If a series of Investment Company Units is listed for trading on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act and invests in both U.S. Component Stocks and Non-U.S. Component Stocks or only in Non-U.S. Component Stocks, the current value of the underlying index must be widely disseminated by one or more major market data vendors or disseminated over the consolidated tape at least every 60 seconds during trading hours on the Exchange.

If a series of Investment Company Units is listed for trading on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act and is based on an index or portfolio previously approved in connection with options or other derivative securities the current index value must be widely disseminated by one or more major market data vendors (a) at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and (b) at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks.

If the index value does not change during some or all of the period when trading is occurring on the Exchange (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout Exchange trading hours. In addition, there must be similarly disseminated for each series of Investment Company Units an estimate, updated at least every 15 seconds during the Exchange's trading hours, of the value of a share of each series (the "Intraday Indicative Value"). This may be based, for example, upon current information regarding the required deposit of securities plus any cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated.

(4) Index Calculation. If a series of Investment Company Units is listed for trading on the Exchange in reliance upon Rule 19b-4(e) under the

Exchange Act and the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor must erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index must be calculated by a third party who is not a broker-dealer or fund advisor. In addition, any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index or portfolio.

(5) Surveillance Procedures. If a series of Investment Company Units is listed for trading or traded pursuant to unlisted trading privileges on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act, the Exchange will implement written surveillance procedures applicable to such series. In addition, the Exchange will comply with the record-keeping requirements of Rule 19b-4(e) under the Exchange Act, and will file Form 19b-4(e) for each series of Investment Company Units within five business days of the commencement of trading.

(6) Creation and Redemption. For Investment Company Units listed pursuant to Rule 2123 (c)(2)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Investment Company Units must state that the series of Investment Company Units must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(d) *Underlying Indices and Portfolios Consisting of Fixed Income Securities*

The Exchange may approve a series of Units based on an index or portfolio of Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Exchange Act provided such index or portfolio (i) has been reviewed and approved for the trading of options, Investment Company Units, Portfolio Depositary Receipts, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order, continue to be satisfied or (ii) the criteria in paragraphs (d)(1) and (d)(2) below are satisfied; and provided further, that the Exchange may not so approve a series of Investment Company Units that seeks to provide investment results that either exceed the performance of a specified index by a specified multiple or that

correspond to the inverse (opposite) of the performance of a specified index by a specified multiple.

(1) Eligibility Criteria for Index Components. Upon the initial listing of a series of Investment Company Units, pursuant to Rule 19b-4(e) under the Exchange Act, each component of an index or portfolio that underlies a series of Investment Company Units shall meet the following criteria:

(i) The components of the index or portfolio must consist of Fixed Income Securities;

(ii) Components that in aggregate account for at least 75% of the weight of the index or portfolio each must have a minimum original principal amount outstanding of \$100 million or more;

(iii) A component may be a convertible security; however, once the convertible security component converts to the underlying equity security, the component is removed from the index or portfolio;

(iv) No component fixed-income security (excluding Treasury Securities and GSE Securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component Fixed Income Securities in the index or portfolio do not in the aggregate account for more than 65% of the weight of the index or portfolio;

(v) An underlying index or portfolio (excluding one consisting entirely of exempted securities) must include a minimum of 13 non-affiliated issuers; and

(vi) Component securities that in aggregate account for at least 90% of the weight of the index or portfolio must be either:

(A) From issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Exchange Act;

(B) From issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of \$700 million or more;

(C) From issuers that have outstanding securities that are notes, bonds debentures, or evidence of indebtedness having a total remaining principal amount of at least \$1 billion;

(D) Exempted securities as defined in Section 3(a)(12) of the Exchange Act; or

(E) From issuers that are a government of a foreign country or a political subdivision of a foreign country.

(2) Index Calculation

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(ii) The current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises an index licensor or administrator or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index or portfolio.

(e) The Exchange may approve a series of Investment Company Units based on a combination of indexes or an index or portfolio of component securities representing the U.S. or domestic equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Exchange Act provided (i) such portfolio or combination of indexes have been reviewed and approved for the trading of options, Investment Company Units, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied or (ii) each index or portfolio of equity and fixed income component securities separately meet either the criteria set forth in subsection (c) or (d) above; and provided further, that the Exchange may not so approve a series of Investment Company Units that seeks to provide investment results that either exceed the performance of a specified index by a specified multiple or that correspond to the inverse (opposite) of the performance of a specified index by a specified multiple.

(1) Index Calculation

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the

personnel who have access to information concerning changes and adjustments to the index;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during the time when the Investment Company Units trade on the Exchange, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the time the Investment Company Units trade on the Exchange, and (b) with respect to the fixed income components of the combination index, the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises an index licensor or administrator or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index or portfolio.

(f) The following provisions shall apply to all series of Investment Company Units listed pursuant to subsections (d) or (e) above:

(1) Disseminated Information. For each series of Investment Company Units listed pursuant to subsections (d) or (e) above an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") must be widely disseminated by one or more major market data vendors or over the consolidated tape. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by the Exchange or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on the Exchange, then the last official calculated Intraday Indicative Value must remain available throughout Exchange trading hours.

(g) *Continued Listing Criteria*. If the Exchange lists the Units, the Exchange will consider the suspension of trading and delisting of a series of Units in any of the following circumstances:

(1) Following the initial twelve-month period beginning upon the commencement of trading of a series of Units, there are fewer than 50 record and/or beneficial holders of Units for 30 or more consecutive trading days;

(2) The value of the index or portfolio of securities on which the series is based is no longer calculated or available; or

(3) Such other event shall occur or condition exist that, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

In addition, the Exchange will remove Units from listing and trading upon termination of the issuing Investment Company.

If the Exchange is trading the Units pursuant to unlisted trading privileges, it will cease trading the Units if the primary listing exchange ceases trading the Units for any of the above reasons.

(h) *Trading Halts.*

The Exchange will halt trading in a series of Investment Company Units pursuant to Rule 703, when applicable. In exercising its discretion to halt or suspend trading in a series of Investment Company Units, the Exchange may consider factors such as the extent to which trading in the underlying securities is not occurring or whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present, in addition to other factors that may be relevant. The remainder of this paragraph (ii) shall apply only when the Exchange is the listing market for a series of Investment Company Units. If the Intraday Indicative Value or the official index value applicable to that series of Investment Company Units is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value or the index value occurs. If the interruption to the dissemination of the Intraday Indicative Value or the official index value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. Procedures for trading halts are set forth in Rule 702.

With respect to a series of Investment Company Units trading on the Exchange pursuant to unlisted trading privileges, during the hours for trading of Investment Company Units on the Exchange, if a temporary interruption occurs in the calculation or wide dissemination of the applicable Intraday Indicative Value or value of the underlying index by a major market data vendor and the listing market halts trading in a series of Investment Company Units, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in the series of Investment Company Units on the Exchange. If the Intraday Indicative Value or the value of the underlying index continues not to be calculated or widely available as of the commencement

of trading on the Exchange on the next business day, the Exchange shall not commence trading of the series of Investment Company Units that day. If an interruption in the calculation or wide dissemination of the Intraday Indicative Value or the value of the underlying index continues, the Exchange may resume trading in the series of Investment Company Units only if calculation and wide dissemination of the Intraday Indicative Value or the value of the underlying index resumes or trading in such series resumes in the listing market.

(i) *Provision of Prospectus and Written Description.*

(1) This paragraph shall apply only to a series of Investment Company Units as to which the sponsor or other appropriate party has obtained an exemption from Section 24(d) of the Investment Company Act. In connection with any such series of Investment Company Units listed on the Exchange, Equity EAMs must provide to all purchasers of such series a written description of the terms and characteristics of such securities, in a form prepared or approved by the Exchange, not later than the time a confirmation of the first transaction in such security is delivered to such purchaser. In addition, Equity EAMs must include such a written description with any sales material relating to such series that is provided to customers or the public. Any other written materials provided by an Equity EAM to customers or the public making specific reference to such a series of Investment Company Units as an investment vehicle must include a statement in substantially the following form:

"A circular describing the terms and characteristics of [the series of Investment Company Units] has been prepared by [Trust name] and is available from your broker or the Nasdaq ISE. It is recommended that you obtain and review such circular before purchasing [the series of Investment Company Units]. In addition, upon request you may obtain from your broker a prospectus for [the series of Investment Company Units]."

(2) An Equity EAM carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase a series of Investment Company Units for the omnibus account will be deemed to constitute agreement by the non-member to make the written description available to its customers on the same terms as are directly applicable to members under this Rule.

(3) Upon request of a customer, an Equity EAM shall also provide a prospectus for the particular series of Investment Company Units.

(j) *Limitation on Liability.* Neither the Exchange, any affiliate, nor any Index Licensor or Administrator guarantees the timeliness, sequence, accuracy or completeness of index and Investment Company Unit information. Neither the Exchange, any affiliate, nor any Index Licensor or Administrator shall have any liability for any loss, damages, claim or expense arising from or occasioned by any inaccuracy, error or delay in, or omission of or from, (i) any index and Investment Company Unit information or (ii) the collection, calculation, compilation, maintenance, reporting or

dissemination of any index, any portfolio or any index and Investment Company Unit information, resulting either from any negligent act or omission by the Exchange, any affiliate or any Index Licensor or Administrator or from any act, condition or cause beyond the reasonable control of the Exchange, any affiliate or any Index Licensor or Administrator, including, but not limited to, flood, extraordinary weather conditions, earthquake or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications or power failure, or equipment or software malfunction. Without limiting any of the foregoing, in no event shall the Exchange, any affiliate, or any index Licensor or Administrator have any liability for any lost profits or special, punitive, incidental, indirect or consequential damages, even if notified of the possibility of such damages.

(k) *No Warranties.* Neither the Exchange, any affiliate, nor any Index Licensor or Administrator makes any express or implied warranty as to results that any person or party may obtain from using (i) any Investment Company Unit, (ii) the index or portfolio that is the basis for determining the component stocks of an Investment Company Unit, or (iii) any index or Investment Company Unit information, for trading or any other purpose. The Exchange, its affiliates and each Index Licensor or Administrator makes no express or implied warranties, and disclaims all warranties of merchantability or fitness for a particular purpose or use, with respect to any such Investment Company Unit, index, portfolio or information.

(l) *Hours of Trading.* Any series of Investment Company Units so designated by the Exchange may be traded on the Exchange from 9:30 a.m. until 4:15 p.m. each business day.

(m) The issuer of a series of Investment Company Units must be in compliance with Rule 10A-3 under the Exchange Act.

(n) *Suitability.* Equity EAMs or registered employees thereof shall in recommending to any customer any transaction for the purchase, sale or exchange of an Investment Company Unit listed pursuant this Rule that seeks to provide investment results that either exceed the performance of a specified foreign or domestic stock index by a specified multiple or that correspond to the inverse (opposite) of the performance of a specified foreign or domestic index by a specified multiple, have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the information furnished by such customer after reasonable inquiry concerning the customer's investment objectives, customer's tax status, financial situation and needs, and any other information known by such Equity EAM or registered employee.

#### **Rule 2124. Trust Issued Receipts**

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Trust Issued Receipts that meet the criteria of this Rule.

(b) *Applicability.* This rule is applicable only to Trust Issued Receipts.

(c) *Prospectus Delivery.* Equity EAMs must provide to all purchasers of newly issued Trust Issued Receipts a prospectus for the series of Trust Issued Receipts.

(d) *Trading Hours.* Transactions in Trust Issued Receipts may be effected from 9:30 a.m. until either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

(e) *Definition.* "Trust Issued Receipt" means a security (i) that is issued by a trust ("Trust") that holds specified securities deposited with the Trust; (ii) that, when aggregated in some specified minimum number, may be surrendered to the trust by the beneficial owner to receive the securities; and (iii) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to the trustee by an issuer of the deposited securities.

(f) *Designation.* The Exchange may trade on its ISE Stock Exchange facility, pursuant to unlisted trading privileges, Trust Issued Receipts based on one or more securities. The Trust Issued Receipts based on particular securities shall be designated as a separate series and shall be identified by a unique symbol. The securities that are included in a series of Trust Issued Receipts shall be selected by the Exchange or by such other person as shall have a proprietary interest in such Trust Issued Receipts.

(g) *Initial and Continued Listing and/or Trading.* Trust Issued Receipts will be listed and/or traded on the Exchange subject to application of the following criteria:

(1) Commencement of Trading. For each Trust, the Exchange will establish a minimum number of Trust Issued Receipts required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Trading. Following the initial twelve month period following formation of a Trust and commencement of trading on the Exchange, the Exchange will consider the suspension of trading in or removal from listing of or termination of unlisted trading privileges for a Trust upon which a series of Trust Issued Receipts is based under any of the following circumstances:

(i) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 or more consecutive trading days;

(ii) if the Trust has fewer than 50,000 receipts issued and outstanding;

(iii) if the market value of all receipts issued and outstanding is less than \$1,000,000; or

(iv) if any other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

If the Exchange is trading the Trust Issued Receipts pursuant to unlisted trading privileges, it will cease trading the Trust Issued Receipts if the primary listing exchange ceases trading the Trust Issued Receipts for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Trust Issued Receipts issued in connection with such trust be removed from listing or have their unlisted trading privileges terminated. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(h) *Term.* The stated term of the Trust shall be as stated in the Trust prospectus; however, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(i) *Trustee.* The trustee must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, as qualified trust company or banking institution must be appointed co-trustee.

(j) *Voting Rights.* Voting rights shall be as set forth in the applicable Trust prospectus.

#### ***Supplementary Material to Rule 2124***

.01 The Exchange may approve trust issued receipts for trading, whether by listing or pursuant to unlisted trading privileges, pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934, provided that the following criteria are satisfied:

(a) each security underlying the trust issued receipt must be registered under Section 12 of the Exchange Act;

(b) each security underlying the trust issued receipt must have a minimum public float of at least \$150 million;

(c) each security underlying the trust issued receipt must be listed on a national securities exchange or traded through the facilities of Nasdaq as a reported national market system security;

(d) each security underlying the trust issued receipt must have an average daily trading volume of at least 100,000 shares during the preceding sixty-day trading period;

(e) each security underlying the trust issued receipt must have an average daily dollar value of shares traded during the preceding sixty-day trading period of at least \$1 million; and

(f) the most heavily weighted security in the trust issued receipt cannot initially represent more than 20% of the overall value of the trust issued receipt.

.02 (a) Provisions of this Commentary apply only to Trust Issued Receipts that invest in "Investment Shares" as defined below. Rules that reference Trust Issued Receipts shall also apply to Trust Issued Receipts investing in Investment Shares.

(b) *Definitions.* The following terms as used in this Commentary shall, unless the context otherwise requires, have the meanings herein specified:

(1) Investment Shares. The term "Investment Shares" means a security (a) that is issued by a trust, partnership, commodity pool or other similar entity that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities, swaps or high credit quality short-term fixed income securities or other securities; and (b) issued and redeemed daily at net asset value in amounts correlating to the number of receipts created and redeemed in a specified aggregate minimum number.

(2) Futures Contract. The term "futures contract" is commonly known as a "contract of sale of a commodity for future delivery" set forth in Section 2(a) of the Commodity Exchange Act.

(3) Forward Contract. A forward contract is a contract between two parties to purchase and sell a specific quantity of a commodity at a specified price with delivery and settlement at a future date. Forwards are traded over-the-counter ("OTC") and not listed on a futures exchange.

(c) *Designation.* The Exchange may list and trade Trust Issued Receipts investing in Investment Shares. Each issue of a Trust Issued Receipt based on a particular Investment Share shall be designated as a separate series and shall be identified by a unique symbol.

(d) *Initial and Continued Listing.* Trust Issued Receipts based on Investment Shares will be listed and/or traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of receipts required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. The Exchange will consider removing from listing Trust Issued Receipts based on an Investment Share under any of the following circumstances:

(i) if following the initial twelve month period following the commencement of trading of the shares, (A) the Issuer has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 or more consecutive trading days; (B) if the Issuer has fewer than 50,000 securities or shares issued and outstanding; or (C) if the market value of all securities or shares issued and outstanding is less than \$1,000,000;

(ii) if the value of an underlying index or portfolio is no longer calculated or available on at least a 15-second delayed basis or the Exchange stops providing a hyperlink on its website to any such asset or investment value;

(iii) if the Indicative Value is no longer made available on at least a 15-second delayed basis; or

(iv) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading the Trust Issued Receipts based on Investment Shares pursuant to unlisted trading privileges, it will cease trading such Trust Issued Receipts if the primary listing exchange ceases trading the Trust Issued Receipts for any of the above reasons.

Upon termination of the Trust, the Exchange requires that Trust Issued Receipts based on Investment Shares issued in connection with such Trust be removed from Exchange listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(e) *Term.* The stated term of the Trust shall be as stated in the prospectus; however, such entity may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(f) *Trustee.* The following requirements apply:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee;

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of the primary listing exchange.

(g) *Voting Rights.* Voting rights shall be as set forth in the applicable Trust prospectus.

(h) The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before trading, either by listing or trading pursuant to unlisted trading privileges Trust Issued Receipts based on separate Investment Shares.

(i) *Limitation on Liability.* Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying asset or commodity value, the current value of the underlying asset or commodity if required to be deposited to the Trust in connection with issuance of Trust Issued Receipts, net asset value, or other information relating to the purchase, redemption or trading of Trust Issued Receipts, resulting from any negligent act or omission by the Exchange or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in an underlying asset or commodity.

#### **Rule 2125. Commodity-Based Trust Shares**

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares that meet the criteria of this Rule.

(b) *Applicability.* This rule is applicable only to Commodity-Based Trust Shares.

(c) *Prospectus Delivery.* Equity EAMs must provide to all purchasers of newly issued Commodity-Based Receipts a prospectus for the series of Commodity-Based Trust Shares.

(d) *Trading Hours.* Transactions in Commodity-Based Trust Shares will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

(e) *Definition.* "Commodity-Based Trust Shares" mean securities (i) that are issued by a trust ("Trust") that holds a specified commodity deposited with the Trust; (ii) that are issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (iii) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust that will deliver to the redeeming holder the quantity of the underlying commodity. "Commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act. Commodity-Based Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(f) *Designation.* The Exchange may trade on its ISE Stock Exchange facility, pursuant to unlisted trading privileges, Commodity-Based Trust Shares based on an underlying commodity. Each issue of a Commodity-Based Trust Share shall be designated as a separate series and shall be identified by a unique symbol.

(g) *Initial and Continued Listing.* Commodity-Based Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of Commodity-Based Trust Shares required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. Following the initial 12 month period following commencement of trading on the Exchange of Commodity-Based Trust Shares, the Exchange will consider the suspension of trading in or removal from listing of such series under any of the following circumstances:

(i) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Commodity-Based Trust Shares for 30 or more consecutive trading days; or

(ii) if the Trust has fewer than 50,000 receipts issued and outstanding; or

(iii) if the market value of all receipts issued and outstanding is less than \$1,000,000; or

(iv) if the value of the underlying commodity is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, Trust, custodian or the Exchange or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated commodity value;

(v) if the Indicative Trust Value is no longer made available on at least a 15-second delayed basis; or

(vi) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading Commodity-Based Trust Shares pursuant to unlisted trading privileges, it will cease trading the Commodity-Based Trust Shares if the primary listing exchange ceases trading such Shares for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Commodity-Based Trust Shares issued in connection with such entity Trust be removed from Exchange listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(h) *Term.* The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(i) *Trustee.* The following requirements apply:

(i) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of the primary listing exchange.

(j) *Voting.* Voting rights shall be as set forth in the applicable Trust prospectus.

(k) *Limitation on Liability.* Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying commodity value, the current value of the underlying commodity required to be deposited to the Trust in connection with issuance of Commodity-Based Trust Shares, resulting from any negligent act or omission by the Exchange, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange, its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction or any error, omission or delay in the reports of transactions in an underlying commodity.

***Supplementary Material to Rule 2125***

.01 A Commodity-Based Trust Share is a Trust Issued Receipt that holds a specified commodity deposited with the Trust.

.02 The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before trading, either by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares.

**Rule 2126. Currency Trust Shares**

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Currency Trust Shares that meet the criteria of this Rule.

(b) *Applicability.* This rule is applicable only to Currency Trust Shares.

(c) *Prospectus Delivery.* Equity EAMs must provide to all purchasers of newly issued Currency Trust Receipts a prospectus for the series of Commodity-Based Trust Shares.

(d) *Trading Hours.* Transactions in Currency Trust Shares will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

(e) *Definition.* "Currency Trust Shares" mean a security that (i) that is issued by a trust that holds a specified non-U.S. currency deposited with the trust; (ii) when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non U.S. currency; and (iii) pays beneficial owners interest and other distributions on the deposited non-U.S. currency, if any, declared and paid by the trust. Currency Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(f) *Designation of Non-U.S. Currency.* The Exchange may trade through its ISE Stock Exchange facility, pursuant to unlisted trading privileges, Currency Trust Shares that hold a specified non-U.S. currency or currencies. Each issue of a Currency Trust Share shall be designated as a separate series and shall be identified by a unique symbol.

(g) *Initial and Continued Listing.* Currency Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of Currency Trust Shares required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. Following the initial 12 month period following commencement of trading on the Exchange of Currency Trust Shares, the Exchange will consider the suspension of trading in or removal from listing of such series under any of the following circumstances:

(i) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Currency Trust Shares for 30 or more consecutive trading days; or

(ii) if the Trust has fewer than 50,000 Currency Trust Shares issued and outstanding; or

(iii) if the market value of all Currency Trust Shares issued and outstanding is less than \$1,000,000; or

(iv) if the value of the applicable non-U.S. currency is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, Trust, custodian or the Exchange or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated applicable non-U.S. currency value;

(v) if the Indicative Trust Value is no longer made available on at least a 15-second delayed basis; or

(vi) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading Currency Trust Shares pursuant to unlisted trading privileges, it will cease trading the Currency Trust Shares if the primary listing exchange ceases trading such Shares for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Currency Trust Shares issued in connection with such entity Trust be removed from Exchange listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(h) *Term.* The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(i) *Trustee.* The following requirements apply:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of the primary listing exchange.

(j) *Voting.* Voting rights shall be as set forth in the applicable Trust prospectus.

(k) *Limitation on Liability.* Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable non-U.S. currency value, the current value of the applicable non-U.S. currency required to be deposited to the Trust in connection with issuance of Currency Trust Shares, net asset value, or any other information relating to the purchase, redemption, or trading of the Currency Trust Shares, resulting from any negligent act or omission by the Exchange, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange, its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in an applicable non-U.S. currency.

### ***Supplementary Material to Rule 2126***

.01 A Currency Trust Share is a Trust Issued Receipt that holds a specified non-U.S. currency deposited with the Trust.

.02 The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before trading, either by listing or pursuant to unlisted trading privileges, Currency Trust Shares.

**Rule 2127. Partnership Units**

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Partnership Units that meet the criteria of this Rule.

(b) *Definitions.* The following terms as used in the Rule shall, unless the context otherwise requires, have the meanings herein specified:

(1) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(2) Partnership Units. The term "Partnership Units" for purposes of this Rule means a security (a) that is issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities and/or securities; and (b) that is issued and redeemed daily in specified aggregate amounts at net asset value.

(c) *Designation.* The Exchange may list and trade Partnership Units based on an underlying asset, commodity or security. Each issue of a Partnership Unit shall be designated as a separate series and shall be identified by a unique symbol.

(d) *Trading Hours.* Transactions in Currency Trust Shares will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

(e) *Initial and Continued Listing.* Partnership Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of Partnership Units required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. The Exchange will consider removing from listing Partnership Units under any of the following circumstances:

(i) if following the initial twelve month period following the commencement of trading of Partnership Units, (A) the partnership has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Partnership Units for 30 or more consecutive trading days; (B) if the partnership has fewer than 50,000 Partnership Units issued and outstanding; or (C) if the market value of all Partnership Units issued and outstanding is less than \$1,000,000;

(ii) if the value of the underlying benchmark investment, commodity or asset is no longer calculated or available on at least a 15-

second delayed basis or the Exchange stops providing a hyperlink on its website to any such investment, commodity, or asset value;

(iii) if the Indicative Partnership Value is no longer made available on at least a 15-second delayed basis; or

(iv) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading Partnership Units pursuant to unlisted trading privileges, it will cease trading the Partnership Units if the primary listing exchange ceases trading such Units for any of the above reasons.

Upon termination of a partnership, the Exchange requires that Partnership Units issued in connection with such partnership be removed from Exchange listing. A partnership will terminate in accordance with the provisions of the partnership prospectus.

(3) Term. The stated term of the partnership shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the Partnership prospectus.

(4) General Partner. The following requirements apply:

(i) The general partner of a partnership must be an entity having substantial capital and surplus and the experience and facilities for handling partnership business. In cases where, for any reason, an individual has been appointed as general partner, a qualified entity must also be appointed as general partner.

(ii) No change is to be made in the general partner of a listed issue without prior notice to and approval of the primary listing exchange.

(5) Voting. Voting rights shall be as set forth in the applicable partnership prospectus.

(f) *Limitation of Liability*. Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying asset or commodity value, the current value of the underlying asset or commodity if required to be deposited to the partnership in connection with issuance of Partnership Units, net asset value, or other information relating to the purchase, redemption or trading of Partnership Units, resulting from any negligent act or omission by the Exchange or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather

conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in an underlying asset or commodity.

(g) The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before listing and trading separate and distinct Partnership Units designated on different underlying investments, commodities and/or assets.

### ***Supplementary Material to Rule 2127***

.01 The Exchange requires Equity EAMs to provide to all purchasers of newly issued Partnership Units a prospectus for the series of Partnership Units.

#### **Rule 2128. Clearly Erroneous Trades**

The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule, as amended on September 10, 2010, and the provisions of paragraphs (i) through (k), shall be in effect during a pilot period to coincide with the pilot period for the Limit Up-Limit Down Plan, including any extensions to the pilot period for the Plan. If the Plan is not either extended or approved as permanent, the prior versions of paragraphs (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

(a) *Definition.* For purposes of this Rule, the terms of a transaction executed on the Exchange are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape.

(b) *Request and Timing of Review.* An Equity EAM that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this Rule. An Officer of the Exchange or such other employee designee of the Exchange ("Officer") shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review shall be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Equity EAMs.

(1) *Requests for Review.* Requests for review must be received within thirty (30) minutes of execution time and shall include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the numerical guidelines set forth in Section (c)(1) of this Rule, the counterparty to the trade shall be notified

by the Exchange as soon as practicable, but generally within 30 minutes. An Officer may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide, within thirty (30) minutes of the request, any supporting written information. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(2) *Routed Executions.* Other market centers will generally have an additional 30 minutes from receipt of their participant’s timely filing, but no longer than 60 minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that market center and executed on the Exchange.

(c) *Thresholds.* Determinations of a clearly erroneous execution will be made as follows:

(1) *Numerical Guidelines.* Subject to the provisions of paragraph (c)(3) below, a transaction executed during the Regular Market Session or the Pre-Market and Post-Market Session shall be found to be clearly erroneous only if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The execution time of the transaction under review determines whether the threshold is Regular Market Session, Pre-Market Session or Post-Market Session. The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in paragraph (c)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

Reference Price, Circumstance or Product	Regular Market Session Numerical Guidelines (Subject transaction’s % difference from the Reference Price):	Pre-Market and Post-Market Session Numerical Guidelines (Subject transaction’s % difference from the Reference Price):
Greater than \$0.00 and up to and including \$25.00	10%	20%
Greater than \$25.00 and up to and including \$50.00	5%	10%
Greater than \$50.00	3%	6%
Multi-Stock Event – Filings involving five or more, but less than	10%	10%

twenty, securities whose executions occurred within a period of five minutes or less		
Multi-Stock Event – Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2) below	30%, subject to the terms of paragraph (c)(2) below
Leveraged ETF/ETN securities	Regular Market Session Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)	Regular Market Session Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)

(2) *Multi-Stock Events Involving Twenty or More Securities.* During Multi-Stock Events involving twenty or more securities the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, the Exchange will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(3) *Additional Factors.* Except in the context of a Multi-Stock Event involving five or more securities, an Officer may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, systems malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an IPO, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Pre-Market and Post-Market Session executions, validity of the consolidated tape's trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(d) *Outlier Transactions.* In the case of an Outlier Transaction, an Officer may at its sole discretion, and on a case-by-case basis, consider requests received pursuant to subsection (b) of this Rule after 30 minutes, but not longer than sixty minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(1) "Outlier Transaction" means a transaction where:

(i) the execution price of the security is greater than three times the current Numerical Guidelines set forth in Paragraph (c)(1) of this Section, or

(ii) the execution price of the security in question is not within the Outlier Transaction parameters set forth in Paragraph (d)(1)(i) of the Section but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in 2128(c)(3), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(e) *Review Procedures.*

(1) *Determination by Officer.* Unless both parties (or party, in the case of a cross order) to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute shall be reviewed, and a determination shall be rendered by the Officer. If the Officer determines that the transaction is not clearly erroneous, the Officer shall decline to take any action in connection with the completed trade. In the event that the Officer determines that the transaction in dispute is clearly erroneous, the Officer shall declare the transaction null and void. A determination shall be made generally within 30 minutes of receipt of the complaint, but in no case later than the start of the Regular Market Session on the following trading day. The parties shall be promptly notified of the determination.

(2) *Appeals.* If an Equity EAM affected by a determination made under this Rule so requests within the time permitted below, the Clearly Erroneous Execution Panel ("CEE Panel") will review decisions made by the Officer under this Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an Officer under subsection (f) of this Rule if such Officer also determines under subsection (f) of this Rule that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made by the Exchange in conjunction with one or more additional market centers, the number of affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable.

(i) The CEE Panel will consist of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and representatives from two (2) Equity EAMs.

(ii) The Exchange shall designate at least ten (10) Equity EAM representatives to be called upon to serve on the CEE Panel as needed. In no case shall a CEE Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

(3) A request for review on appeal must be made via e-mail within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 ET and the close of trading in the Post-Market Session, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(4) The CEE Panel may overturn or modify an action taken by the Officer under this Rule. All determinations by the CEE Panel shall constitute final action by the Exchange on the matter at issue.

(5) If the CEE Panel votes to uphold the decision made pursuant to Rule 2128 (e)(1), the Exchange will assess a \$500.00 fee against the Equity EAM(s) who initiated the request for appeal.

(6) Any determination by an Officer or by the CEE Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) *System Disruption or Malfunctions.* In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Exchange in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, the Officer or such other senior level employee designee, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of Section (c)(1)–(3) of this Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Officer of the Exchange or such other senior level employee designee pursuant to this subsection (f) shall be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of

the Exchange or such other senior level employee designee must be taken by no later than the start of Regular Market Session on the day following the date of execution(s) under review. Each Equity EAM involved in the transaction shall be notified as soon as practicable, and the Equity EAM aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4).

(g) *Officer Acting On Own Motion.* An Officer of the Exchange or such other senior level employee designee, acting on its own motion, may review potentially erroneous executions and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of Section (c)(1)–(3) of this Rule. Absent extraordinary circumstances, any such action of the Officer of the Exchange or such other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or such other senior level employee designee must be taken by no later than the start of the Regular Market Session on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4) above.

(h) *Trade Nullification for UTP Securities that are Subject of Initial Public Offerings ("IPOs").* Pursuant to SEC Rule 12f-2, as amended, the Exchange may extend unlisted trading privileges to a security that is the subject of an initial public offering when at least one transaction in the subject security has been effected on the national securities exchange or association upon which the security is listed and the transaction has been reported pursuant to an effective transaction reporting plan. A clearly erroneous error may be deemed to have occurred in the opening transaction of the subject security if the execution price of the opening transaction on the Exchange is the lesser of \$1.00 or 10% away from the opening price on the listing exchange or association. In such circumstances, the Officer of the Exchange or such other senior level employee designee shall declare the opening transaction null and void or shall decline to take action in connection with the completed trade(s). Clearly erroneous executions of subsequent transactions of the subject security will be reviewed in the same manner as the procedure set forth in (e)(1). Absent extraordinary circumstances, any such action of the Officer of the Exchange or such other senior level employee designee pursuant to this subsection (h) shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or such other senior level employee designee must be taken by no later than the start of Regular Market Session on the day following the date of execution(s) under review. Each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4) above.

(i) *Securities Subject to Limit Up-Limit Down Plan.* For purposes of this paragraph, the phrase “Limit Up-Limit Down Plan” or “Plan” shall mean the Plan to

Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. The provisions of paragraphs (a) through (h) above and (j) through (k) below shall govern all Exchange transactions, including transactions in securities subject to the Plan, other than as set forth in this paragraph (i). If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, an Officer of the Exchange or senior level employee designee, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Market Session on the trading day following the date on which the execution(s) under review occurred. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, the Exchange will make the determination of whether to nullify transactions based on paragraphs (a) through (h) above and (j) through (k) below.

(j) *Multi-Day Event*. A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “Event”). An Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer of the Exchange or senior level employee designee shall take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2)-(4) above.

(k) *Trading Halts.* In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of the Regular Market Session on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2)-(4) above.

#### **Rule 2129. MidPoint Match**

The MidPoint Match (“MPM”) is a process by which Members may receive an execution price that is at the midpoint of the NBBO.

(a) *Opening Process.* All eligible orders will participate in the opening process, as set forth in Rule 2106.

(b) *Order Entry.* All MPM orders are unpriced orders to buy or to sell an Equity Security at the midpoint of the NBBO. An MPM order may be entered with a boundary price, and the System will not execute such order outside of the boundary price. Any boundary price must be in whole penny increments.

(c) *Types of Orders.* MPM orders may be Day Orders, Fill-or-Kill, or Immediate-or-Cancel. An MPM day order can be marked all-or-none (“AON”), which means that the order is to be executed in its entirety or not at all.

(d) *Dissemination of Order Information.*

(1) Standard Orders. Unless specifically authorized by the entering Equity EAM, the System will not disseminate any information regarding an order pending on the ISE Stock Exchange’s MPM. Orders where no information is disseminated are “Standard Orders.” An FOK or IOC Standard Order that is not executed immediately upon receipt will be canceled.

(2) Solicitations of Interest. If the entering Equity EAM so authorizes, the System will disseminate an indication as to the name of the Equity Security in which the order is entered. Such orders are “Solicitations of Interest” and an Equity EAM must enter a Solicitation of Interest with a minimum size of at least 500 shares. An Equity EAM entering a Solicitation of Interest may not cancel the order for 1 second. In addition, if a Solicitation of Interest is not executed within 10 seconds, the System shall convert the Solicitation of Interest to a Standard Order; however, in establishing time priority of orders, the System will consider the time of entry of such Standard Order as the time of entry of the original Solicitation of Interest. An IOC Solicitation of Interest that is not executed within the 1-second no-cancellation period will be automatically canceled.

(e) *Order Specifications*.

(1) All orders that are not immediately executed will be Day Orders.

(2) Solicitation of Interests with a boundary price that is not then currently-executable are not accepted.

(3) FOK or AON Orders may be Standard Orders only, not Solicitations of Interest.

(f) *Order Execution*. The System will monitor for buy and sell orders in a security, and, when identifying a match, will execute a trade at the prevailing NBBO midpoint. MPM Orders may be executed and reported in increments as small as one-half of the Minimum Price Variation.

(1) Solicitations of Interest have priority on a first-in, first-served basis over previously-entered Standard Orders on the same side of the market for 10 seconds upon receipt.

(2) If there are no Solicitations of Interest, or once all Solicitations of Interest are executed, the System will match Standard Orders on a first-in, first-served basis.

(3) Notwithstanding subparagraphs (1) and (2) above, the System will execute orders outside of time and order type priority to the extent such treatment would maximize possible executions at a given price, but only after first executing all possible orders within priority until reaching an AON order that cannot be filled in its entirety in the normal priority.

(4) The System will not execute a trade at a price inferior to the NBBO. The System also will not effect any transactions when the market for a security is “crossed,” that is, when the best national bid in the security is greater than the best national offer in that security. If the market for a security is “locked,” that is, the best national bid in the security equals the best national offer

in that security, the System will execute the trade at the price of the locked quotation. In addition, the System will not effect any transaction when the bid price for a security is less than \$1 or when either the best national bid price or the best national offer price are not in full \$.01 increments.

(5) An order that is canceled in part will retain its original priority.

(g) *Short Sales*. Sell short Solicitations of Interests are not permitted. No Equity EAM shall, for its own account or the account of any other person, effect any short sale Solicitation of Interest.

**Rule 2130. Equity Index-Linked Securities, Commodity-Linked Securities and Currency-Linked Securities**

The Exchange will consider listing and/or trading equity index-linked securities (“Equity Index-Linked Securities”), commodity-linked securities (“Commodity-Linked Securities”) and currency-linked securities (“Currency-Linked Securities” and, together with Equity Index-Linked Securities and Commodity-Linked Securities, “Index-Linked Securities”) that in each case meet the applicable criteria of this Rule 2130. Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities. The payment at maturity with respect to Commodity-Linked Securities and Currency-Linked Securities is based on (i) in the case of Commodity-Linked Securities, one or more physical commodities or commodity futures, options or other commodity derivatives or Commodity-Based Trust Shares (as defined in Rule 2125) or a basket or index of any of the foregoing (the “Commodity Reference Asset”), or (ii) in the case of Currency-Linked Securities, one or more currencies, or options or currency futures or other currency derivatives or Currency Trust Shares (as defined in Rule 2126) or a basket or index of any of the foregoing (the “Currency Reference Asset”). Index-Linked Securities may or may not provide for the repayment of the original principal investment amount. The Exchange may submit a rule filing pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 (the “1934 Act”) to permit the listing and/or trading of Index-Linked Securities that do not otherwise meet the standards set forth below in paragraphs (a) through (i).

The Exchange will consider for listing and/or trading pursuant to Rule 19b-4(e) under the 1934 Act, securities under this Rule 2130 provided the following criteria are met.

(a) *Issuer Listing Standards*

The issuer must be an entity that:

(1) If the issuer is a company listed on the New York Stock Exchange, NYSE Arca, American Stock Exchange, or NASDAQ Stock Market, the entity must be a company in good standing (i.e., meets the continued listing criteria of such exchange).

(2) If not listed, the issuer must meet the following criteria:

(i) The issuer shall have assets in excess of \$100 million and stockholders' equity of at least \$10 million. In the case of an issuer which is unable to satisfy the earnings criteria set forth in (ii) below, the Exchange generally will require the issuer to have the following: (x) assets in excess of \$200 million and stockholders' equity of at least \$10 million; or (y) assets in excess of \$100 million and stockholders' equity of at least \$20 million.

(ii) The issuer's pre-tax income from continuing operations shall substantially exceed \$750,000 in its last fiscal year, or in two of its last three fiscal years. (Sovereign issuers will be evaluated on a case-by-case basis.)

(3) Either:

(i) Has a minimum tangible net worth of \$250 million (if the Index-Linked Securities are fully and unconditionally guaranteed by an affiliate of the issuer, the Exchange will rely on such affiliate's tangible net worth for purposes of this requirement); or

(ii) Has a minimum tangible net worth of \$150 million and the original issue price of the Index-Linked Securities, combined with all of the issuer's other Index-Linked Securities listed on a national securities exchange or otherwise publicly traded in the United States, is not greater than 25 percent of the issuer's tangible net worth at the time of issuance (if the Index-Linked Securities are fully and unconditionally guaranteed by an affiliate of the issuer, the Exchange will apply the provisions of this paragraph to such affiliate instead of the issuer and will include in its calculation all Index-Linked Securities that are fully and unconditionally guaranteed by such affiliate).

(4) Is in compliance with Rule 10A-3 under the 1934 Act.

*(b) Issue Listing Standards*

The issue must:

(i) Have a minimum public distribution of at least 1 million units, except if the Index-Linked Security is traded in thousand dollar denominations.

(ii) Have at least 400 holders, except if the Index-Linked Securities are redeemable at the option of the holders thereof on at least a weekly basis or the Index-Linked Security is traded in thousand dollar denominations.

(iii) Have a principal amount/aggregate market value of not less than \$4 million.

(iv) Have a minimum term of one (1) year but not greater than thirty (30) years.

(v) Be the non-convertible debt of the issuer.

(vi) Not base its payment at maturity on a multiple of the negative performance of an underlying index or indexes, Commodity Reference Asset or Currency Reference Asset, as the case may be, although the payment at maturity may or may not provide for a multiple of the positive performance of an underlying index or indexes, Commodity Reference Asset or Currency Reference Asset, as the case may be.

In addition, the issue must meet one of the criteria set forth in (c), (d) or (e) below.

*(c) Equity Index-Linked Securities Listing Standards*

(1) The Exchange will consider listing Equity Index-Linked Securities that meet the requirements of this subparagraph (c), where the payment at maturity is based on an index or indexes of equity securities. The issue must meet the following initial listing criteria:

(i) Each underlying index is required to have at least ten (10) component securities of different issuers.

(ii) The index or indexes to which the security is linked shall either (A) have been reviewed and approved for the trading of investment company units or options or other derivatives by the Commission under Section 19(b)(2) of the 1934 Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or (B) the index or indexes meet the following criteria:

(1) Each component security has a minimum market value of at least \$75 million, except that for each of the lowest dollar weighted component securities in the index that in the aggregate account for no more than 10% of the dollar weight of the index, the market value can be at least \$50 million;

(2) Each component security shall have trading volume in each of the last six months of not less than 1,000,000 shares per month, except that for each of the lowest dollar weighted component securities in the index that in the aggregate account for no more than 10% of the dollar weight of the index, the trading volume shall be at least 500,000 shares per month in each of the last six months;

(3) Indexes based upon the equal-dollar or modified equal dollar weighting methodology will be rebalanced at least quarterly;

(4) In the case of a capitalization weighted index or modified capitalization weighted index, the lesser of the five highest dollar weighted component securities in the index or the highest dollar weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;

(5) No underlying component security will represent more than 25% of the dollar weight of the index, and the five highest dollar weighted component securities in the index will not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 component securities);

(6) 90% of the index's dollar weight and at least 80% of the total number of component securities will meet the then current criteria for standardized options trading on a national securities exchange; and

(7) All component securities shall be either (A) securities (other than foreign country securities and American Depositary Receipts ("ADRs")) that are (i) issued by a 1934 Act reporting company which is listed on a national securities exchange and (ii) an "NMS stock" (as defined in Rule 600 of SEC Regulation NMS) or (B) be foreign country securities or ADRs, provided that foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign trading markets that are not members of the Intermarket Surveillance Group or parties to comprehensive surveillance sharing agreements with the Exchange will not in the aggregate represent more than 20% of the dollar weight of the index.

(2) The issue must meet the following continued listing criteria:

(i) The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described in (c)(1) above are not continuously maintained, except that:

(A) the criteria that no single component represent more than 25% of the dollar weight of the index and the five highest dollar weighted components in the index can not represent more than 50% (or 60% for indexes with less than 25 components) of the dollar weight of the index, need only be satisfied for capitalization weighted, modified

capitalization weighted and price weighted indexes as of the first day of January and July in each year;

(B) the total number of components in the index may not increase or decrease by more than 33-1/3% from the number of components in the index at the time of its initial listing, and in no event may be less than ten (10) components;

(C) the trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest dollar weighted components in the index that in the aggregate account for no more than 10% of the dollar weight of the index, trading volume must be at least 400,000 shares for each of the last six months; and

(D) in a capitalization weighted index or modified capitalization weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index have had an average monthly trading volume of at least 1,000,000 shares over the previous six months.

(ii) In connection with an Equity Index-Linked Security that is listed pursuant to Rule 2130, the Exchange will commence delisting or removal proceedings if an underlying index or indexes fails to satisfy the maintenance standards or conditions for such index or indexes as set forth by the Commission in its order under Section 19(b)(2) of the 1934 Act approving the index or indexes for the trading of options or other derivatives.

(iii) The Exchange will also commence delisting or removal proceedings under any of the following circumstances:

(A) if the aggregate market value or the principal amount of the Equity Index-Linked Securities publicly held is less than \$400,000;

(B) if the value of the index or composite value of the indexes, if applicable, is no longer calculated or widely disseminated on at least a 15-second basis during the time the Equity Index-Linked Securities trade on the Exchange; or

(C) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(d) *Commodity-Linked Securities Listing Standards*

(1) The issue must meet initial listing standard set forth in either (i) or (ii) below:

(i) The Commodity Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Commodity Trust Shares or options or other derivatives by the Commission under Section 19(b)(2) of the 1934 Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied.

(ii) The pricing information for each component of a Commodity Reference Asset must be derived from a market which is an Intermarket Surveillance Group ("ISG") member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement. Notwithstanding the previous sentence, pricing information for gold and silver may be derived from the London Bullion Market Association.

In addition, the issue must meet both of the following initial listing criteria:

(A) the value of the Commodity Reference Asset must be calculated and widely disseminated on at least a 15-second basis during the time the Commodity-Linked Securities trade on the Exchange; and

(B) in the case of Commodity-Linked Securities that are periodically redeemable, the indicative value of the subject Commodity-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Commodity-Linked Securities trade on the Exchange.

(2) The issue must meet the following continued listing criteria:

(i) The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained. Notwithstanding the foregoing, an issue will not be delisted for a failure to have comprehensive surveillance sharing agreements, if the Commodity Reference Asset has at least 10 components and the Exchange has comprehensive surveillance sharing agreements with respect to at least 90% of the dollar weight of the Commodity Reference Asset.

(ii) The Exchange will also commence delisting or removal proceedings:

(A) If the aggregate market value or the principal amount of the Commodity-Linked Securities publicly held is less than \$400,000;

(B) The value of the Commodity Reference Asset is no longer calculated or available and a new Commodity Reference Asset is substituted, unless the new Commodity Reference Asset meets the requirements of this Rule 2130; or

(C) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

*(e) Currency-Linked Securities Listing Standards*

(1) The issue must meet the initial listing standard set forth in either (i) or (ii) below:

(i) The Currency Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Currency Trust Shares or options or other derivatives by the Commission under Section 19(b)(2) of the 1934 Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied.

(ii) The pricing information for each component of a Currency Reference Asset must be (x) the generally accepted spot price for the currency exchange rate in question or (y) derived from a market which (1) is an ISG member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement and (2) is the pricing source for components of a Currency Reference Asset that has previously been approved by the Commission.

In addition, the issue must meet both of the following initial listing criteria:

(A) the value of the Currency Reference Asset must be calculated and widely disseminated on at least a 15-second basis during the time the Currency-Linked Securities trade on the Exchange; and

(B) in the case of Currency-Linked Securities that are periodically redeemable, the indicative value of the subject Currency-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Currency-Linked Securities trade on the Exchange.

(2) The issue must meet the following continued listing criteria

(i) The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described above is not continuously maintained. Notwithstanding the foregoing, an issue will not be delisted for a failure to have comprehensive surveillance sharing agreements, if the Currency Reference Asset

has at least ten (10) components and the Exchange has comprehensive surveillance sharing agreements with respect to at least 90% of the dollar weight of the Currency Reference Asset.

(ii) The Exchange will also commence delisting or removal proceedings under any of the following circumstances:

(A) If the aggregate market value or the principal amount of the Currency-Linked Securities publicly held is less than \$400,000;

(B) If the value of the Currency Reference Asset is no longer calculated or available and a new Currency Reference Asset is substituted, unless the new Currency Reference Asset meets the requirements of this Rule 2130; or

(C) If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(f) *Firewalls*

If the value of an Index-Linked Security listed under Rule 2130 is based in whole or in part on an index that is maintained by a broker-dealer, the broker-dealer shall erect a "firewall" around the personnel responsible for the maintenance of such index or who have access to information concerning changes and adjustments to the index, and the index shall be calculated by a third party who is not a broker-dealer.

Any advisory committee, supervisory board or similar entity that advises an index licensor or administrator or that makes decisions regarding the index or portfolio composition, methodology and related matters must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, non-public information regarding the applicable index or portfolio.

(g) Index-Linked Securities will be subject to the Exchange's equity trading rules.

(h) *Trading Halts*

(1) In the case of Commodity- or Currency-Linked Securities, if the indicative value or the Commodity Reference Asset value or Currency Reference Asset value, as the case may be, applicable to a series of securities is not being disseminated as required, or, in the case of Equity Index-Linked Securities, if the value of the index is not being disseminated as required, the Exchange may halt trading during the day on which such interruption first occurs. If such interruption persists past the trading day in which it occurred, the

Exchange will halt trading no later than the beginning of the trading day following the interruption.

(2) With respect to Index-Linked Securities admitted to dealings by the Exchange on an unlisted trading privileges basis, the Exchange will halt trading, in accordance with Rule 2101(a), if such Index-Linked Security is no longer listed or trading on the primary market.

(i) *Surveillance Procedures*

The Exchange will implement written surveillance procedures for Index-Linked Securities, including adequate comprehensive surveillance sharing agreements with markets trading in the underlying components, as applicable.

**Rule 2131. Portfolio Depositary Receipts**

(a) *Definitions.*

(1) Portfolio Depositary Receipt. The term "Portfolio Depositary Receipt" means a security (a) that is based on a unit investment trust ("Trust") that holds the securities that comprise an index or portfolio underlying a series of Portfolio Depositary Receipts; (b) that is issued by the Trust in a specified aggregate minimum number in return for a "Portfolio Deposit" consisting of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above; (c) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof then comprising the "Portfolio Deposit"; and (d) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the securities index or portfolio of securities underlying the Portfolio Depositary Receipts, less certain expenses and other charges as set forth in the Trust prospectus.

(2) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Portfolio Depositary Receipts means the Exchange, an institution (including the Trustee for a series of Portfolio Depositary Receipts), or a reporting service designated by the Exchange or by the exchange that lists a particular series of Portfolio Depositary Receipts (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, any current index or portfolio value; the current value of the portfolio of securities required to be deposited to the Trust in connection with the issuance of Portfolio Depositary Receipts; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depositary Receipts, net asset value, or

other information relating to the creation, redemption or trading of Portfolio Depositary Receipts.

(3) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934 or an American Depositary Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934.

(4) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that is not registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934 and that is issued by an entity that (a) is not organized, domiciled or incorporated in the United States, and (b) is an operating company (including Real Estate Investment Trusts (REITS) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).

(b) *Applicability*. This Rule is applicable only to Portfolio Depositary Receipts. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the Bylaws and all other Rules and policies of the Board of Directors are applicable to the trading on the Exchange of such securities. Portfolio Depositary Receipts are included within the definition of "security" or "securities" as such terms are used in the Bylaws and Rules of the Exchange.

(c) *Disclosures*. The provisions of this subparagraph apply only to series of Portfolio Depositary Receipts that are the subject of an order by the Securities and Exchange Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. The Exchange will inform Equity EAMs regarding application of these provisions of this subparagraph to a particular series of Portfolio Depositary Receipts by means of an information circular prior to commencement of trading in such series.

Equity EAMs shall provide to all purchasers of a series of Portfolio Depositary Receipts a written description of the terms and characteristics of such securities, in a form approved by the Exchange, or prepared by the unit investment trust issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Equity EAMs shall include such a written description with any sales material relating to a series of Portfolio Depositary Receipts that is provided to customers or the public. Any other written materials provided by an Equity EAM to customers or the public making specific reference to a series of Portfolio Depositary Receipts as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Portfolio Depositary Receipts] is available from your broker. It is recommended that you obtain and review such circular before purchasing [the series of Portfolio Depositary Receipts]. In addition, upon request you may obtain from your broker a prospectus for [the series of Portfolio Depositary Receipts]."

An Equity EAM carrying an omnibus account for a non-Equity EAM broker-dealer is required to inform such non-Equity EAM that execution of an order to purchase a series of Portfolio Depositary Receipts for such omnibus account will be deemed to constitute agreement by the non-Equity EAM to make such written description available to its customers on the same terms as are directly applicable to Equity EAMs under this Rule.

Upon request of a customer, an Equity EAM shall also provide a prospectus for the particular series of Portfolio Depositary Receipts.

(d) *Designation of an Index or Portfolio.* The trading of Portfolio Depositary Receipts based on one or more stock indexes or securities portfolios, whether by listing or pursuant to unlisted trading privileges, shall be considered on a case-by-case basis. The Portfolio Depositary Receipts based on each particular stock index or portfolio shall be designated as a separate series and shall be identified by a unique symbol. The stocks that are included in an index or portfolio on which Portfolio Depositary Receipts are based shall be selected by the Exchange or by such other person as shall have a proprietary interest in and authorized use of such index or portfolio, and may be revised from time to time as may be deemed necessary or appropriate to maintain the quality and character of the index or portfolio.

(e) *Initial and Continued Listing and/or Trading.* A Trust upon which a series of Portfolio Depositary Receipts is based will be traded on the Exchange, whether by listing or pursuant to unlisted trading privileges, subject to the following criteria:

(1) Initial Listing

(i) The minimum number of Portfolio Depositary Receipts required to be outstanding at commencement of trading is set forth in the Supplementary Material of .01 paragraph (d) of this Rule.

(ii) The Exchange will obtain a representation from the issuer of each series of Portfolio Depositary Receipts that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(2) Continued Listing

(i) The Exchange will consider the suspension of trading and delisting (if applicable) of a Trust upon which a series of Portfolio Depositary Receipts is based under any of the following circumstances:

(A) if, following the initial twelve month period after the formation of a Trust and commencement of trading on the ISE Stock Exchange, the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Portfolio Depositary Receipts for 30 or more consecutive trading days;

(B) if the value of the index or portfolio of securities on which the Trust is based is no longer calculated or available; or

(C) if such other event shall occur or condition exists which in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(ii) The Exchange will halt trading in a series of Portfolio Depositary Receipts pursuant to Rule 703, when applicable. In exercising its discretion to halt or suspend trading in a series of Portfolio Depositary Receipts, the Exchange may consider factors such as the extent to which trading in the underlying securities is not occurring or whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present, in addition to other factors that may be relevant. The remainder of this paragraph (ii) shall apply only when the Exchange is the listing market for a series of Portfolio Depositary Receipts. If the Intraday Indicative Value or the official index value applicable to that series of Portfolio Depositary Receipts is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value or the index value occurs. If the interruption to the dissemination of the Intraday Indicative Value or the official index value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. Procedures for trading halts are set forth in Rule 702.

With respect to a series of Portfolio Depositary Receipts trading on the Exchange pursuant to unlisted trading privileges, during the hours for trading of Portfolio Depositary Receipts on the Exchange, if a temporary interruption occurs in the calculation or wide dissemination of the applicable Intraday Indicative Value or value of the underlying index by a major market data vendor and the listing market halts trading in a series of Portfolio Depositary Receipts, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in the series of Portfolio

Depository Receipts on the Exchange. If the Intraday Indicative Value or the value of the underlying index continues not to be calculated or widely available as of the commencement of trading on the Exchange on the next business day, the Exchange shall not commence trading of the series of Portfolio Depository Receipts that day. If an interruption in the calculation or wide dissemination of the Intraday Indicative Value or the value of the underlying index continues, the Exchange may resume trading in the series of Portfolio Depository Receipts only if calculation and wide dissemination of the Intraday Indicative Value or the value of the underlying index resumes or trading in such series resumes in the listing market.

(iii) Upon termination of a Trust, the Exchange requires that Portfolio Depository Receipts issued in connection with such Trust be removed from Exchange listing or have their unlisted trading privileges terminated. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(3) Term—The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(4) Trustee—The trustee must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(5) Voting—Voting rights shall be as set forth in the Trust prospectus. The trustee of a Trust may have the right to vote all of the voting securities of such Trust.

(f) *Limitation of Liability of the Exchange.* Neither the Exchange, the Reporting Authority nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value, the current value of the portfolio of securities required to be deposited to the Trust; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depository Receipts; net asset value; or other information relating to the creation, redemption or trading of Portfolio Depository Receipts, resulting from any negligent act or omission by the Exchange, or the Reporting Authority, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, or the Reporting Authority, including, but

not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reporting of transactions in one or more underlying securities. The Exchange makes no warranty, express or implied, as to results to be obtained by any person or entity from the use of Portfolio Depository Receipts or any underlying index or data included therein and the Exchange makes no express or implied warranties, and disclaims all warranties of merchantability or fitness for a particular purpose with respect to Portfolio Depository Receipts or any underlying index or data included therein. This limitation of liability shall be in addition to any other limitation contained in the Exchange's Bylaws and Rules.

***Supplementary Material to Rule 2131:***

**.01 Equity.** The Exchange may approve a series of Portfolio Depository Receipts for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934. Portfolio Depository Receipts listed pursuant to Rule 19b-4(e) shall satisfy the criteria set forth in (a)(1), (2) or (3) and (b) through (h) below. For series of Portfolio Depository Receipts approved by the Exchange for trading pursuant to unlisted trading privileges, only the criteria set forth in Rule 2131(c) and (e)(2)(ii) and paragraphs (c), (e), (f) and (g) below are required to be satisfied.

*(a) Eligibility Criteria for Index Components.*

(1) U.S. index or portfolio. Upon the initial listing of a series of Portfolio Depository Receipts pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934 on the Exchange, the components of an index or portfolio of US Component Stocks underlying a series of Portfolio Depository Receipts shall meet the following criteria:

(i) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least \$75 million;

(ii) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum monthly trading volume during each of the last six months of at least 250,000 shares;

(iii) The most heavily weighted component stock shall not exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 65% of the weight of the index or portfolio;

(iv) The index or portfolio shall include a minimum of 13 component stocks; and

(v) All securities in the index or portfolio shall be U.S. Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934.

(2) International or global index or portfolio. Upon the initial listing of a series of Portfolio Depositary Receipts pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934, the components of an index or portfolio underlying a series of Portfolio Depositary Receipts that consist of either (a) only Non-U.S. Component Stocks or (b) both U.S. Component Stocks and Non-U.S. Component Stocks shall meet the following criteria:

(i) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum worldwide market value of at least \$100 million;

(ii) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum worldwide monthly trading volume during each of the last six months of at least 250,000 shares;

(iii) The most heavily weighted component stock shall not exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 60% of the weight of the index or portfolio;

(iv) The index or portfolio shall include a minimum of 20 component stocks; and

(v) Each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(3) Index or portfolio approved in connection with options or other derivative securities. Upon the initial listing of a series of Portfolio Depositary Receipts pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934, the index or portfolio underlying a series of Portfolio Depositary Receipts shall have been reviewed and approved for trading of options, Portfolio Depositary Receipts, Investment Company Units, index-linked exchangeable notes or index-linked securities by the

Securities and Exchange Commission under Section 19(b)(2) of the Securities Exchange Act of 1934 and rules thereunder and the conditions set forth in the Securities and Exchange Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-US Component Stocks and the requirements regarding dissemination of information, continue to be satisfied. Each component stock of the index or portfolio shall be either (i) a US Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934 or (ii) a Non-US Component Stock that is listed and traded on an exchange that has last-sale reporting.

(b) *Index Calculation.*

(1) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire-wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor. In addition, any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index;

(2) The current index value for Portfolio Depositary Receipts listed pursuant to (a) Supplementary Material .01(a)(1) above will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time the Portfolio Depositary Receipts trade[s] on the ISE Stock Exchange; (b) Supplementary Material .01(a)(2) above will be widely disseminated by one or more major market data vendors at least every 60 seconds during the time when the Portfolio Depositary Receipts trade on the ISE Stock Exchange; or (c) Supplementary Material .01(a)(3) above will be widely disseminated during the time when the Portfolio Depositary Receipts trade on the ISE Stock Exchange by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks. If the official index value does not change during some or all of the period when trading is occurring on the ISE Stock Exchange (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout ISE Stock Exchange trading hours.

(c) *Disseminated Information.* One or more major market data vendors will disseminate for each series of Portfolio Depositary Receipts listed or traded on the Exchange an estimate, updated at least every 15 seconds, during the Exchange's business hours (defined in Rule 2102(b)), of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on the ISE Stock Exchange, then the last official calculated Intraday Indicative Value must remain available throughout ISE Stock Exchange trading hours.

(d) *Initial Shares Outstanding.* A minimum of 100,000 shares of a series of Portfolio Depositary Receipts is required to be outstanding at commencement of trading.

(e) *Minimum Price Variation.* The minimum price variation for quoting and entry of orders in a series of Portfolio Depositary Receipts is \$0.01 as provided in Rule 2110.

(f) *Hours of Trading.* The hours of trading for series of Portfolio Depositary Receipts occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

(g) *Surveillance Procedures.* The Exchange will implement written surveillance procedures for Portfolio Depositary Receipts.

(h) *Creation and Redemption.* For Portfolio Depositary Receipts listed pursuant to Supplementary Material .01(a)(2) or (3) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Portfolio Depositary Receipts must state that the Trust must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

**.02 Fixed Income.** Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof. The

Exchange may approve a series of Portfolio Depositary Receipts based on Fixed Income Securities for listing and pursuant to Rule 19b-4(e) under the Exchange Act provided such portfolio or index (i) has been reviewed and approved for the trading of options, Investment Company Units, Portfolio Depositary Receipts, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order, continue to be satisfied or (ii) the following criteria is satisfied. For Portfolio Depositary Receipts based on Fixed Income Securities that are approved by the Exchange for trading pursuant to unlisted trading privileges, only the criteria set forth in Rule 2131(c) and (e)(2)(ii) and paragraphs (c), (e), (f), and (g) below are required to be satisfied.

(a) *Eligibility Criteria for Index Components.* Upon the initial listing of a series of Portfolio Depositary Receipts pursuant to Rule 19b-4(e) under the Exchange Act on the Exchange, the components of an index or portfolio underlying a series of Portfolio Depositary Receipts shall meet the following criteria:

- (1) The index or portfolio must consist of Fixed Income Securities;
- (2) Components that in aggregate account for at least 75% of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of \$100 million or more;
- (3) A component may be a convertible security, however, once the convertible security component converts to the underlying equity security, the component is removed from the index or portfolio;
- (4) No component fixed-income security (excluding Treasury Securities and GSE Securities) shall represent more than 30% of the weight of the index or portfolio, and the five most heavily weighted component Fixed Income Securities in the index or portfolio shall not in the aggregate account for more than 65% of the weight of the index or portfolio;
- (5) An underlying index or portfolio (excluding one consisting entirely of exempted securities) must include a minimum of 13 non-affiliated issuers; and
- (6) Component securities that in aggregate account for at least 90% of the weight of the index or portfolio must be either a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Exchange Act; b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of \$700 million or more;

c) from issuers that have outstanding securities that are notes, bonds debentures, or evidence of indebtedness having a total remaining principal amount of at least \$1 billion; d) exempted securities as defined in Section 3(a)(12) of the Exchange Act; or e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(b) *Index Calculation.*

(1) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(2) The current index value for Portfolio Depositary Receipts listed pursuant to Supplementary Material .02(a) above will be widely disseminated by one or more major market data vendors at least once per day and if the index value does not change during some or all of the period when trading is occurring on the Exchange, the last official calculated index value must remain available throughout Exchange trading hours; and

(3) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(c) *Disseminated Information.* One or more major market data vendors shall disseminate for each series of Portfolio Depositary Receipts listed pursuant to Supplementary Material .02(a) above an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by the Exchange or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on the Exchange, then the last official calculated Intraday Indicative Value must remain available throughout Exchange trading hours.

(d) *Initial Shares Outstanding.* The provisions of Supplementary Material .01(d) above shall apply to series of Portfolio Depositary Receipts listed pursuant to Supplementary Material .02(a) above.

(e) *Minimum Price Variation.* The provisions of Supplementary Material .01(e) above shall apply to series of Portfolio Depository Receipts listed pursuant to Supplementary Material .02(a) above.

(f) *Hours of Trading.* The provisions of Supplementary Material .01(f) above shall apply to series of Portfolio Depository Receipts listed pursuant to Supplementary Material .02(a) above.

(g) *Surveillance Procedures.* The provisions of Supplementary Material .01(g) above shall apply to series of Portfolio Depository Receipts based on Fixed Income Securities that are listed and/or traded pursuant to UTP.

**.03** The Exchange may approve a series of Portfolio Depository Receipts based on a combination of indexes or an index or portfolio of component securities representing the U.S. or domestic equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Exchange Act provided (i) such portfolio or combination of indexes have been reviewed and approved for the trading of options, Investment Company Units, Portfolio Depository Receipts, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied or (ii) each index or portfolio of equity and fixed income component securities separately meet either the criteria set forth in Supplementary Material .01(a) or .02(a) above. For such Portfolio Depository Receipts that are approved by the Exchange for trading pursuant to unlisted trading privileges, only the criteria set forth in Rule 2131(c) and (e)(2)(ii) and paragraphs (c), (e), (f), and (g) of Supplementary Material .01 above are required to be satisfied.

(a) *Index Calculation*

(1) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index;

(2) The current composite index value for Portfolio Depository Receipts listed pursuant to Supplementary Material .01(a) or .02(a) above shall be widely disseminated by one or more major market data vendors at least once every 15 seconds during the time the Portfolio Depository Receipts trade on the Exchange, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the time the Portfolio Depository Receipts trade on the Exchange, and (b) with respect to the fixed income components of the combination

index, the impact on the index is only required to be updated at least once each day; and

(3) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(b) *Other Applicable Provisions.* The provisions of Supplementary Material .01(c)-(g) shall also apply to series of Portfolio Depositary Receipts based on a combination of indexes or an index or portfolio of component securities representing the U.S. or domestic equity market, the international equity market, and the fixed income market.

**2132.** [Reserved]

### **2133. Index-Linked Exchangeable Notes**

**Index-linked exchangeable notes which are exchangeable debt securities that are exchangeable at the option of the holder (subject to the requirement that the holder in most circumstances exchange a specified minimum amount of notes), on call by the issuer or at maturity for a cash amount (the "Cash Value Amount") based on the reported market prices of the underlying stocks of an underlying index will be considered for listing and trading by the Exchange pursuant to Rule 19b-4(e) under the Exchange Act, provided:**

(a) Both the issue and the issuer of such security meet the following criteria:

(1) A minimum public distribution of 150,000 notes with a minimum of 400 public note-holders. This minimum public note-holder requirement will not be applicable to an issue traded in thousand dollar denominations or if the securities are redeemable at the option of the holders thereof on at least a weekly basis.

(2) Total assets of at least \$100 million and net worth of at least \$10 million. In the case of an issuer that does not have pre-tax income from continuing operations of at least \$750,000 in the last fiscal year or two of the last three fiscal years, the Exchange will require the issuer to have:

(i) total assets of at least \$200 million and net worth of at least \$10 million or

(ii) total assets of at least \$100 million and net worth of at least \$20 million.

(3) Have a principal amount/aggregate market value of not less than \$4 million.

(b) The issue has a minimum term of one year.

(c) The issuer will be expected to have a minimum tangible net worth in excess of \$250 million, and to have pre-tax income from continuing operations that substantially exceeds \$750,000 in the last fiscal year or two of the last three fiscal years. In the alternative, the issuer will be expected: (i) to have a minimum tangible net worth of \$150 million and to otherwise substantially exceed the earnings requirements set forth in (a)(2) above; and (ii) not to have issued index-linked exchangeable notes where the original issue price of all the issuer's other index-linked exchangeable note offerings (combined with other index-linked exchangeable note offerings of the issuer's affiliates) listed on a national securities exchange exceeds 25% of the issuer's net worth.

(d) The index to which an exchangeable-note is linked shall either be (1) an index that has been created by a third party and been reviewed and approved for the trading of options or other derivatives securities (each, a "Third-Party Index") by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder or is being traded by the Exchange under rules adopted pursuant to Rule 19b-4(e); or (2) an index which the issuer has created and for which the Exchange has obtained approval from either the Commission pursuant to Section 19(b)(2) and rules thereunder or is being traded by the Exchange under rules adopted pursuant to Rule 19b-4(e) (each an "Issuer Index"). The Issuer Indices and their underlying stocks must meet one of the following:

(i) the procedures and criteria set forth in Rule 2002(d); or

(ii) the following minimum standards:

(A) Each underlying linked stock shall either: (1) have a minimum market capitalization of \$3 billion and during the 12 months preceding listing of the index-linked exchangeable note has traded at least 2.5 million shares, (2) have a minimum market capitalization of \$1.5 billion and during the 12 months preceding listing of the index-linked exchangeable note has traded at least 10 million shares; or (3) have a minimum market capitalization of \$500 million and during the 12 months preceding listing of the index-linked exchangeable note has traded at least 15 million shares; and

(B) Each issuer of an underlying stock to which the instrument is to be linked shall be a 1934 Act reporting company which is listed on a national securities exchange and is subject to

last sale reporting. In addition, if any underlying stock to which the instrument is to be linked is the stock of a non-U.S. company which is traded in the U.S. market as sponsored American Depositary Shares ("ADS"), ordinary shares or otherwise, then for each such security the Exchange shall either (1) have in place a comprehensive surveillance sharing agreement with the primary exchange on which each non-U.S. security is traded, (in the case of an ADS, the primary exchange on which the stock underlying the ADS is traded); (2) the combined trading volume of each non-U.S. security and other related non-U.S. securities occurring in the U.S. market or in markets with which the Exchange has in place a comprehensive surveillance sharing agreement represents (on a share equivalent basis for any ADSs) at least 50% of the combined worldwide trading volume in each non-U.S. security, other related non-U.S. securities, and other classes of common stock related to each non-U.S. security over the six month period preceding the date of listing; or (3) (a) the combined trading volume of each non-U.S. security and other related non-U.S. securities occurring in the U.S. market represents (on a share equivalent basis) at least 20% of the combined world-wide trading volume in each non-U.S. security and in other related non-U.S. securities over the six month period preceding the date of selection of the non-U.S. security for an index-linked exchangeable note listing, (b) the average daily trading volume for each non-U.S. security in the U.S. markets over the six months preceding the selection of each non-U.S. security for an index-linked exchangeable note listing is 100,000 or more shares, and (c) the trading volume is at least 60,000 shares per day in the U.S. markets on a majority of the trading days for the six months preceding the date of selection of each non-U.S. security for an index-linked exchangeable note listing and

(C) If any underlying stock to which the instrument is to be linked is the stock of a non-U.S. company which is traded in the U.S. market as a sponsored ADS, ordinary shares or otherwise, then the minimum number of holders of such underlying linked security shall be 2,000; and

(D) the index concentration limits set forth in Rule 2002(d).

(e) Index-linked exchangeable notes will be treated as equity instruments;

(f) Beginning twelve months after the initial issuance of a series of index-linked exchangeable notes, the Exchange will consider the suspension of trading in or removal from listing of that series of index-linked exchangeable notes under any of the following circumstances:

- (i) if the series has fewer than 50,000 notes issued and outstanding;
  - (ii) if the market value of all index-linked exchangeable notes of that series issued and outstanding is less than \$1 million; or
  - (iii) if such other event shall occur or such other condition exists which in the opinion of the Exchange makes further dealings of the Exchange inadvisable.
- (g) Provisions of Nasdaq ISE Rule 2123(c)(4) shall apply to index-linked exchangeable notes.
- (h) When the Exchange is the listing market for index-linked exchangeable notes, if the official index value applicable to that index-linked exchangeable note is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the index value occurs. If the interruption to the dissemination of the official index value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

**Appendix A to Chapter 21**

## Rule

**Chapter I – Definitions**

100 Definitions (as supplemented by Rule 2100)

**Chapter 2 – Organization and Administration**

200 Establishment of Committees

201 Removal of Committee Members

202 Committee Procedures

203 General Duties and Powers of Committees

204 Divisions of the Exchange

205 Access Fees

206 Transaction Fees

207 Communication Fees

208 Regulatory Fees or Charges

210 Liability for Payment of Fees

211 Exchange's Costs of Defending Legal Proceedings

**Chapter 3 – Membership**

301 Qualification of Members

302 Denial of and Conditions to Becoming a Member

303 Approval to Operate Multiple Memberships

304 Persons Associated with Members

305 Documents Required of Applicants and Members

306 Member Application Procedures

309 Registration of Memberships by Individuals for Members (paragraphs (b) and (c) only)

310 Dissolution and Liquidation of Members

#### **Chapter 4 – Business Conduct**

400 Just and Equitable Principles of Trade  
401 Adherence to Law  
402 Sharing of Offices and Wire Communications  
403 Nominal Employment  
404 False Statements  
405 Manipulation  
406 Gratuities  
407 Rumors  
408 Prevention of the Misuse of Material Nonpublic Information  
409 Disciplinary Action by Other Organizations  
410 Other Restrictions on Members  
411 Significant Business Transactions  
419 Mandatory Systems Trading  
420 Anti-Money Laundering Compliance Program

#### **Chapter 6 – Doing Business With the Public**

602 Registration of Representatives  
603 Termination of Registered Representatives

#### **Chapter 7 – Doing Business on the Exchange**

700 Days and Hours of Business (as modified by Rule 2102)  
702 Trading Halts

- 703 Trading Halts Due to Extraordinary Market Volatility
- 705 Limitation of Liability
- 706 Access to and Conduct on the Exchange
- 707 Clearing Member Give Up
- 711 Acceptance of Quotes and Orders
- 712 Submission of Orders and Clearance of Transactions (as modified by Rule 2117)
- 719 Transaction Price Binding

### **Chapter 12 - Margins**

- 1200 General Rule
- 1201 Time Margin Must Be Obtained
- 1202 Margin Requirements
- 1203 Meeting Margin Calls by Liquidation Prohibited
- 1204 Margin Required is Minimum

### **Chapter 13 – Net Capital Requirements**

- 1300 Minimum Requirements
- 1301 “Early Warning” Notification Requirements
- 1302 Power of President to Impose Restrictions
- 1303 Joint Back Office Arrangements

### **Chapter 14 – Records, Reports and Audits**

- 1400 Maintenance, Retention and Furnishing of Books, Records and Other Information
- 1402 Financial Reports
- 1403 Audits

- 1404 Automated Submission of Trade Data
- 1406 Regulatory Cooperation
- 1408 Fingerprint-Based Background Checks of Exchange Employees and Independent Contractors and Other Service Providers

### **Chapter 15 – Summary Suspension**

- 1500 Imposition of Suspension
- 1501 Investigation Following Suspension
- 1502 Reinstatement
- 1503 Failure to Obtain Reinstatement
- 1504 Termination of Rights by Suspension

### **Chapter 16 – Discipline**

- 1600 Disciplinary Jurisdiction
- 1601 Requirement to Furnish Information
- 1602 Investigation
- 1603 Letters of Consent
- 1604 Charges
- 1605 Answer
- 1606 Hearing
- 1607 Decision
- 1608 Summary Proceedings
- 1609 Offers of Settlement
- 1610 Review
- 1611 Judgment and Sanction
- 1612 Procedural Matters
- 1613 Reporting to the Central Registration Depository

1614 Imposition of Fines for Minor Rule Violations

1615 Disciplinary Functions

### **Chapter 17 – Hearings and Review**

1700 Scope of Chapter

1701 Submission of Application to Exchange

1702 Procedure Following Applications for Hearing

1703 Hearing

1704 Review

1705 Miscellaneous Provisions

1706 Hearing and Review Functions

### **Chapter 18 – Arbitration**

1800 Arbitration]]

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