

Additions underlined
Deletions [bracketed]

NYSE Rules

Rule 86. NYSE Bonds SM

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(b) Applicability and Definitions.

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- (2) Definitions. As used in this rule and other rules in their application to NYSE Bonds, the following terms shall have the meanings specified below:
- (A) “NYSE Bonds” shall refer to the Exchange's electronic system for receiving, processing, executing and reporting bids, offers and executions in bonds.
- (B) NYSE Bonds Order Types. The following types of orders may be entered on NYSE Bonds.
- (i) “NYSE Bonds Limit Order” means an order to buy or sell a stated amount of bonds at a specified price or at a better price.
- [(C)] (ii) “NYSE Bonds Reserve Order” means a NYSE Bonds Limit Order with a portion of the order's size designated for display and a portion of the order's size “reserve size” that is not to be displayed on NYSE Bonds. A NYSE Bonds Reserve Order cannot be submitted with an All-or-None, a Fill-or-Kill, or a Minimum Quantity modifier.
- [(D)] (iii) “NYSE Bonds Good `Til Cancelled Order” (“NYSE Bonds GTC Order”) is a NYSE Bonds Limit Order or a NYSE Bonds Reserve Order identified as “good `til cancelled” in the manner required by the Exchange, that remains in effect until it is executed or cancelled. Such order will participate in the Core Bond Auction and the Core Bond Trading Session only. Such order will participate in the Core Bond Auction if entered before commencement of the Core Bond Auction at 8:00 a.m. ET, and if not executed in the Core Bond Auction will automatically participate in the Core Bond Trading Session, unless such order is cancelled. If such order is entered after commencement of the Core Bond Auction it will participate in the Core Bond Trading Session, unless such order is cancelled. A designation of this order for any other

trading session but the Core Bond Trading Session will be disregarded, and the order will be treated as an order designated for the Core Bond Trading Session, unless such order is cancelled.

- [(E)] (iv) "NYSE Bonds Day Order" is a NYSE Bonds Limit Order or a NYSE Bonds Reserve Order which, if not executed or cancelled, expires at the end of the trading session(s) for which it was designated, on the day on which it was entered. Bond orders not specifically designated as "day" or "good `til cancelled" will be handled as NYSE Bonds Day Orders. An NYSE Bonds Day Order not designated for a particular trading session will participate in the Core Bond Auction and the Core Bond Trading Session only. Such order will participate in the Core Bond Auction if entered before commencement of the Core Bond Auction at 8:00 a.m. ET, and if not executed in the Core Bond Auction will automatically participate in the Core Bond Trading Session, unless such order is cancelled. If such order is entered after commencement of the Core Bond Auction it will participate in the Core Bond Trading Session, unless such order is cancelled.

(v) "NYSE Bonds Good 'Til Date Order" ("NYSE Bonds GTD Order") is a NYSE Bonds Limit Order or a NYSE Bonds Reserve Order identified as "good 'til date," which if not executed or cancelled, expires at the end of the Core Bond Trading Session on the date specified on the order.

(1) A NYSE Bonds GTD Order will be accepted during the Opening Bond Trading Session and the Core Bond Trading Session and may be cancelled at any time.

(2) A NYSE Bonds GTD Order must include an Expire Date or be designated for the Core Bond Trading Session or else the order will be rejected.

(3) A NYSE Bonds GTD Order is eligible for execution in the Core Bond Auction and the Core Bond Trading Session only. A designation for any other trading session but the Core Bond Trading Session will be rejected.

(4) A NYSE Bonds GTD Order will participate in the Core Bond Auction if entered before commencement of the Core Bond Auction at 8:00 a.m. ET, and if not executed in the Core Bond Auction, is eligible for execution in the Core Bond Trading Session, unless such order is cancelled. If such order is entered after commencement of the Core Bond Auction it will participate in the Core Bond Trading Session, unless such order is cancelled.

(5) Unless a NYSE Bonds GTD Order is executed or cancelled in full, it will be placed on the order book for the following day in price-time priority for participation in the Core Bond Trading Session after the end of the Core Bond Auction.

(vi) “NYSE Bonds Timed Order” is a NYSE Bonds Limit Order or a NYSE Bonds Reserve Order that remains in effect for a period of time specified on the order (e.g., Effective Time and Expire Time) for the current day until the order is executed or cancelled.

(1) A NYSE Bonds Timed Order will be accepted and may be cancelled during all trading sessions. Such order can be traded during all trading sessions so long as the order is submitted during the trading session in which it is to become effective.

(2) A NYSE Bonds Timed Order will participate in the Core Bond Auction and Core Bond Trading Session if entered before commencement of the Core Bond Auction at 8:00 a.m. ET, and if not executed in the Core Bond Auction, is eligible for execution in the Core Bond Trading Session, unless such order is cancelled.

(3) A NYSE Bonds Timed Order must include at least one of the following: an Effective Time, an Expire Time or a designated trading session, or else the order will be rejected.

(a) A NYSE Bonds Timed Order submitted with an Effective Time alone will become effective at the Effective Time and will be cancelled if not executed at the end of the Late Bond Trading Session.

(b) A NYSE Bonds Timed Order submitted with an Expire Time alone will become effective at the time it was submitted and if not executed will be cancelled at the Expire Time.

(c) A NYSE Bonds Timed Order submitted with a designated trading session alone or with a designated trading session and either an Effective Time or an Expire Time will become effective at the time the designated trading session begins and if not executed will be cancelled at the end of the designated trading session. A NYSE Bonds Timed Order submitted during a designated trading session will become effective at the time the order is received and if not executed, will be cancelled at the end of such designated trading session.

(4) A NYSE Bonds Timed Order submitted with a time in force of Day during a trading session without an Effective Time, an Expire Time or a designated trading session will be treated as a Day limit order and if not executed will expire at the end of the Core Bond Trading Session.

(vii) “NYSE Bonds Fill-or-Kill Order” (“NYSE Bonds FOK Order”) is a NYSE Bonds Limit Order that is to be executed immediately in its entirety at the best price available against a single contra party, or if not executed immediately in its entirety, is cancelled. An NYSE Bonds FOK Order is eligible to participate in all trading sessions but will be accepted only if sent during the current trading session, or the order will be rejected. An NYSE Bonds FOK Order will not participate in either the Opening Bond Auction or the Core Bond Auction.

(viii) “NYSE Bonds All-or-None Order (“NYSE Bonds AON Order”) is a NYSE Bonds Limit Order that is to be executed in full against one or more contra party, or not at all. If such order is not executed in full, NYSE Bonds will post such order to the order book at its limit price until it is executed in full or is cancelled. Incoming contra-side orders that cannot meet the AON quantity may trade at or through the price of an NYSE Bonds AON Order. A NYSE Bonds AON Order will not participate in either the Opening Bond Auction or the Core Bond Auction. Such order is eligible for execution only during the trading session(s) for which it was designated.

(1) A NYSE Bonds AON Order must be designated as “day,” “good ‘til cancelled,” or “good ‘til date.”

(2) A NYSE Bonds AON Order designated as “day” is eligible to participate in all trading sessions. Such order, if not executed or cancelled, expires at the end of the trading session for which it was designated, on the day on which it was entered. A NYSE Bonds AON Order not designated for a particular trading session but entered during the Opening Bond Trading Session will participate in the Opening Bond Trading Session, and if not executed in the Opening Bond Trading Session, is eligible for execution in the Core Bond Trading Session, unless such order is cancelled. A NYSE Bonds AON Order not designated for a particular trading session but entered during the Core Bond Trading Session will participate in the Core Bond Trading Session only and will be cancelled if not executed in full at the end of such trading session.

(3) A NYSE Bonds AON Order designated as “good ‘til cancelled” may be entered during the Opening Bond Trading Session and Core Bond Trading Session but will be eligible to participate in the Core Bond Trading Session only. Unless such order is executed or cancelled in full, it will be placed on the order book for the following day in price-time priority for participation in the Core Bond Trading Session after the end of the Core Bond Auction.

(4) A NYSE Bonds AON Order designated as “good ‘til date” may be entered during the Opening Bond Trading Session and the Core Bond

Trading Session but will be eligible to participate in the Core Bond Trading Session only. Unless such order is executed or cancelled in full, it will be placed on the order book for the following day in price-time priority for participation in the Core Bond Trading Session after the end of the Core Bond Auction.

(ix) “NYSE Bonds Minimum Quantity Order” is a NYSE Bonds Limit Order eligible to trade against one or more contra side order(s), provided such order’s quantity requirement is met. If there is not enough contra-side liquidity available at the time a NYSE Bonds Minimum Quantity Order is submitted, NYSE Bonds will post such order on the order book at its limit price until it is executed in full, or is cancelled. Incoming contra-side orders that cannot meet the minimum quantity may trade at or through the price of a NYSE Bonds Minimum Quantity Order. A NYSE Bonds Minimum Quantity Order will be rejected if the minimum quantity entered on the order is greater than the total quantity of the order.

(1) A NYSE Bonds Minimum Quantity Order will be available for partial execution but each partial execution must be for the minimum number of bonds or greater. If the balance of the order after one or more partial executions is less than the minimum, such balance will be treated as a regular limit order, and will be placed on the order book in price-time priority.

(2) A NYSE Bonds Minimum Quantity Order will not participate in either the Opening Bond Auction or the Core Bond Auction. Such order will only be eligible for execution during the trading session(s) for which it was designated.

(a) A NYSE Bonds Minimum Quantity Order must be designated as “day,” “good ‘til cancelled,” or “good ‘til date.”

(b) A NYSE Bonds Minimum Quantity Order designated as “day” is eligible to participate in all trading sessions. Such order, if not executed or cancelled, expires at the end of the trading session for which it was designated, on the day on which it was entered. A NYSE Bonds Minimum Quantity Order not designated for a particular trading session but entered during the Opening Bond Trading Session will participate in the Opening Bond Trading Session, and if not executed in the Opening Bond Trading Session, is eligible for execution in the Core Bond Trading Session, unless such order is cancelled. A NYSE Bonds Minimum Quantity Order not designated for a particular trading session but entered during the Core Bond Trading Session will participate in the Core Bond Trading Session only and will be cancelled if not executed in full at the end of such trading session

(c) A NYSE Bonds Minimum Quantity Order designated as “good ‘til cancelled” may be entered during the Opening Bond Trading Session and Core Bond Trading Session but will be eligible to participate in the Core Bond Trading Session only. Unless such order is executed or cancelled in full, it will be placed on the order book for the following day in price-time priority for participation in the Core Bond Trading Session after the end of the Core Bond Auction.

(d) A NYSE Bonds Minimum Quantity Order designated as “good ‘til date” may be entered during the Opening Bond Trading Session and Core Bond Trading Session but will be eligible to participate in the Core Bond Trading Session only. Unless such order is executed or cancelled in full, it will be placed on the order book for the following day in price-time priority for participation in the Core Bond Trading Session after the end of the Core Bond Auction.

[(F)] (C) “Imbalance” with respect to a Bond Auction in a particular bond means the number of buy and/or sell orders that cannot be matched with other orders at the Indicative Match Price at any given time.

[(G)] (D) “Indicative Match Price” (“IMP”) with respect to a Bond Auction in a particular bond shall mean a single price at which the maximum number of bonds is executable, and may be determined in the following ways: 1)

(i) [i] If there are two or more prices at which the maximum number of bonds is executable, the IMP will be the price that is closest to the Reference Price provided that the IMP cannot be lower (higher) than any unmatched top of book order to buy (sell) that was eligible to participate in an auction at the IMP.

(a) For the Opening Bond Auction, the Reference Price shall be the closing price in [that] a bond on the previous trading day or if the bond did not trade on the previous trading day, [the price that is closest to] the closing price on the last day that the bond traded.

(b) For the Core Bond Auction and the Bond Halt Auction, the Reference Price shall be the last price of a bond on that trading day prior to the applicable auction, and if none, the previous trading day’s closing price, and if none, the closing price on the last day that the bond traded.

[; or 2)] (ii) [i] If orders to buy and orders to sell are not marketable (i.e., the price of a bond order to buy is not equal to or greater than the

price of a bond order to sell), then the IMP is determined by the side and volume at the top of book, where the price of the side with the greater volume establishing the IMP [highest priced bid; or 3) if no bids are submitted, the lowest priced offer].

(iii) A Bond Auction will not occur in the event an IMP is not established, as provided in Rule 86(l)(3)(A) for the Opening Bond Auction and the Core Bond Auction, and Rule 86(n)(2)(E) for the Bond Halt Auction.

[(H)] (E) “Clearly Erroneous Execution” refers to an execution involving an obvious error in any term of an order participating in such execution, such as price, unit of trading, or identification of the bond.

[(I)] Reserved.]

[(J)] (F) “Sponsoring Member Organization” refers to a NYSE Member or Member Organization that enters into a written "sponsorship agreement" with a "Sponsored Participant" to provide the Sponsored Participant with access to NYSE Bonds

[(K)] (G) “Sponsored Participant” is a person who has entered into a sponsorship arrangement with a Sponsoring Member Organization to obtain access to NYSE Bonds pursuant to this Rule 86 (o) (Member Organization and Non-Member Access to NYSE Bonds).

[(L)] (H) “Authorized Trader” is a person who is authorized to act on behalf of a Sponsoring Member Organization or Sponsored Participant of NYSE Bonds.

[(M)] (I) “User” means any Member or Member Organization, Sponsored Participant, or Authorized Trader that is authorized to access NYSE Bonds.

[(N)] (J) “Bond Auction” is a single-priced execution of bonds at the IMP.

[(O)] (K) “Bond Trading Session” is the time during which bonds will be available for ordinary trading on NYSE Bonds each day the Exchange is open for business, unless otherwise determined by the Exchange. NYSE Bonds has three (3) daily Bond Trading Sessions: “Opening,” “Core” and “Late.”

(c) - (g) No Change

(h) Order Designation. Orders can only be designated for Bond Trading Sessions. Orders cannot be designated for participation in Bond Auctions. Except as otherwise provided under this Rule, [P]participation in Bond Auctions is automatic if an order

is designated for participation in a particular Bond Trading Session and is entered prior to the commencement of the related Bond Auction as provided by this rule.

(i) No Change

(j) Display and Execution of Orders in Bond Trading Sessions.

(A) Buy and sell orders in NYSE Bonds shall be displayed, matched and executed in the Bond Trading Sessions in the following sequence:

(i) According to price, with the highest bid price and the lowest offer price receiving highest priority.

(ii) Within each price, according to the time of the order entry in NYSE Bonds, except for Timed Orders, according to the effective time, as provided in Rule 86(b)(2)(B)(vi)(3)(a)-(c).

(B) Undisplayed reserve interest associated with a NYSE Bonds Reserve Order shall yield to displayed interest at the same price.

(C) The terms of an order entered into NYSE Bonds may not be modified after entry. An order may be cancelled at any time provided the order has not been executed except that an order eligible for participation in a Bond Auction may be cancelled only until two (2) minutes prior to such Bond Auction.

(D) Users shall be promptly notified of their orders' executions.

(k) No Change

(l) Bond Auctions. NYSE Bonds will have two (2) Bond Auctions each day the Exchange is open for business, unless otherwise determined by the Exchange. The Opening Bond Auction occurs at the beginning of the Opening Bond Trading Session, and the Core Bond Auction occurs at the beginning of the Core Bond Trading Session. A Bond Auction will occur when at least one order to sell and one order to buy the particular bond have been entered into NYSE Bonds and such order is marketable (i.e., the price of a bond order to buy is equal to or greater than the price of a bond order to sell). If no marketable orders in a particular bond are entered into NYSE Bonds prior to the commencement of an Auction, such Auction will not occur and any existing orders will be available only for ordinary trading in the designated Bond Trading Session(s). During a Bond Auction orders in the system will be matched and executed at the IMP based on price-time priority.

(1) – (2) No Change

(3) Display and Execution of Orders in Bond Auctions.

(A) Failure to Establish an IMP. A single order in a particular bond can establish an IMP. If no orders are entered into NYSE Bonds in a particular bond prior to the commencement of a Bond Auction, or if non-marketable buy and sell orders are entered in NYSE Bonds and the size of the best bid and best offer are the same, no IMP will be established and a Bond Auction will not occur.

(B) – (C) No Change

(m) No Change

(n) Halting, Suspending or Closing Trading on NYSE Bonds

(1) No Change

(2) Bond Halt and Bond Halt Auction.

(A) – (D) No Change

(E) Failure to Establish an IMP. A single order in a particular bond can establish an IMP. If no orders are entered into NYSE Bonds in a particular bond prior to the commencement of a Bond Halt Auction, or if non-marketable buy and sell orders are entered in NYSE Bonds and the size of the best bid and best offer are the same, the IMP will not be established and the Bond Halt Auction will not occur.

(F) – (G) No Change

(o) - (p) No Change

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