

Additions: Underlined
Deletions: [Bracketed]

Rules of NYSE Arca Equities, Inc.

RULE 1 DEFINITIONS

Rule 1.1. Definitions

BBO

(h) The term "BBO" [shall refer to] means the best bid or offer on the NYSE Arca Marketplace. The term "BB" means the best bid on the NYSE Arca Marketplace and the term "BO" means the best offer on the NYSE Arca Marketplace.

[Limited Price Order]

(t) Reserved [The term "Limited Price Order" shall mean any order with a specified price or prices (*e.g.*, limit orders, Limit-on-Close Orders, and Working Orders), other than Stop Orders.]

Marketable

(u) The term "Marketable" means for a Limit Order, an order that can be immediately executed or routed [shall mean, for a Limited Price Order, the price matches or crosses the NBBO on the other side of the market]. Market [o]Orders are always considered marketable.

[NASD]

(y) Reserved [The term "NASD" shall mean the National Association of Securities Dealers, Inc.]

Nasdaq

(z) The term "Nasdaq" [shall] means The NASDAQ Stock Market LLC [The Nasdaq Stock Market, Inc].

[Nasdaq Security]

(aa) Reserved [The term "Nasdaq Security" shall mean any registered security listed on the Nasdaq and (i) designated as an eligible security pursuant to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges ("Nasdaq Unlisted Trading Privileges Plan"), as amended, filed with and approved by the Commission pursuant to SEC Rule 11Aa2-1 under the Exchange Act and (ii) that is either listed on the Corporation pursuant to Rule 5 or as to which unlisted trading privileges have been granted pursuant to Section 12(f) of the Exchange Act.

Nasdaq System]

(bb) Reserved [The term "Nasdaq System" shall mean the system operated by Nasdaq.

Nasdaq System BBO]

(cc) Reserved [The term "Nasdaq System BBO" shall mean the best bid or offer that is disseminated pursuant to SEC Rule 11Ac1-1 among the Nasdaq System participants in those issues that are traded on the Nasdaq System.]

NBBO, Best Protected Bid, Best Protected Offer, Protected Best Bid and Offer (PBBO)

(dd) The term "NBBO" [shall refer to] means the national best bid or offer. The terms "NBB" mean the national best bid and "NBO" means the national best offer. The terms "Best Protected Bid" or "PBB" means [shall refer to] the highest Protected Bid, and "Best Protected Offer" or "PBO" [shall refer to] means the lowest Protected Offer, and the term "Protected Best Bid and Offer" ("PBBO") [shall refer to] means the Best Protected Bid and the Best Protected Offer.

Rule 7 Equities Trading

Section 1. General Provisions

Rule 7.5. Trading Units

The unit of trading in stocks [shall be] is 1 share [and the unit of trading in bonds shall be \$1,000 in par value thereof unless otherwise designated by the Corporation]. [For stocks, 100 shares shall constitute a] A "round lot[,] is 100 shares, unless specified by the primary listing market to be fewer than 100 shares. Any [any] amount less than [100 shares] a round lot will [shall] constitute an "odd lot," and any amount greater than [100

shares] a round lot that is not a multiple of a round lot [shall] will constitute a "mixed lot." [For bonds, a designated unit of trading shall constitute a "round lot" and any lesser amount shall constitute an "odd lot."]

Rule 7.6. Trading Differentials

[(a) The Corporation shall determine the trading differentials for equity securities traded on the Corporation.

Commentary:

.01 The Corporation may only change the trading differentials for equity securities traded on the Corporation by filing a rule change proposal with the SEC, pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (effective upon filing); provided that no change in the trading differentials may be made while the industry wide Decimalization Implementation Plan is in effect.

.02 Notwithstanding Commentary .01, the Corporation may allow trading at smaller increments in order to match bids and offers displayed by other markets for the purpose of preventing Intermarket Trading System trade-throughs.

.03] The minimum price variation ("MPV") for quoting and entry of orders in [equity] securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for [order] quoting and entry of orders is \$0.0001[, provided, however, that the Corporation shall round the bid down to the next whole penny or the offer up to the next whole penny and display the rounded bid or offer in the consolidated quotation system].

[(b) *Bonds.* Bids or offers in bonds shall not be made at a lesser variation than 1/8 of 1% of the principal amount, except that the Corporation may fix a lesser variation in specific issues.]

Rule 7.8. Bid or Offer Deemed Regular Way

Bids and offers [made without stated conditions shall] will be considered to be "regular way." ["Regular way" bids or offers have priority over conditional bids or offers.]

Rule 7.12. Trading Halts Due to Extraordinary Market Volatility

This Rule shall be in effect during a pilot period to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of Rule 7.12 shall be in effect.

The Corporation shall halt trading in all stocks and shall not reopen for the time periods specified 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® Index between [6:30 a.m. and 1:00 p.m. Pacific Time] 9:30 a.m. and 4:00 p.m. Eastern Time on a trading day as compared to the closing price of the S&P 500® 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 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%.

(b) Halts in Trading.

- (i) If a Level 1 Market Decline or a Level 2 Market Decline occurs after [6:30 a.m. Pacific Time] 9:30 a.m. Eastern Time and up to and including [12:25 p.m. Pacific Time] 3:25 p.m. Eastern Time, or in the case of an early scheduled close, [9:25 a.m. Pacific Time] 12:25 p.m. Eastern Time, the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Corporation shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Corporation will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after [12:25 p.m. Pacific Time] 3:25 p.m. Eastern Time, or in the case of an early scheduled close, [9:25 a.m. Pacific Time] 12:25 Eastern Time.
- (ii) If a Level 3 Market Decline occurs at any time during the trading day, the Corporation shall halt trading in all stocks until the primary listing market opens the next trading day.

(c) Re-opening of Trading

- (i) The re-opening of trading following a Level 1 or 2 trading halt shall follow the procedures set forth in Rule 7.35.
- (ii) If the primary listing market halts trading in all stocks, the Corporation will halt trading in all 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 reopen a security within 15 minutes following the

end of the 15-minute halt period, the Corporation may resume trading in that security.

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

Section 3. NYSE Arca Marketplace

Rule 7.32. Order Entry

[Users may enter into the NYSE Arca Marketplace the types of orders listed in Rule 7.31; provided, however, no User may enter an order other than a PNP Order unless the User or the User's Sponsoring ETP Holder has entered into a Routing Agreement.] Orders entered that are greater than five million shares in size [shall] will be rejected. Upon at least 24 hours advance notice to market participants, the Exchange may decrease the maximum order size on a security-by-security basis.
