

Additions: Underlined
Deletions: [Bracketed]

Rules of NYSE Arca Equities, Inc.

Rule 1 Definitions

Rule 1.1. Definitions

Imbalance

(r) For the purposes of Rule 7.35 [the Opening Auction, the Market Order Auction, the Closing Auction and the Trading Halt Auction, as the case may be],

- (1) the term "Imbalance" shall mean the number of buy or sell shares that can not be matched with other shares at the Indicative Match Price at any given time.
 - (A) the term "Total Imbalance" shall mean the net Imbalance of buy (sell) orders at the Indicative Match Price for all orders that are eligible for execution during the applicable auction.
 - (B) the term "Market Imbalance" shall mean:
 - (i) as it relates to the Market Order Auction, the imbalance of any remaining buy (sell) Market Orders that are not matched for execution against Market Orders during the applicable auction.
 - (ii) as it relates to the Closing Auction, the imbalance of any remaining buy (sell) Market-on-Close Orders that are not matched for execution against Market-on-Close Orders during the applicable auction.

Indicative Match Price

(s) For the purposes of Rule 7.35 [the Opening Auction, the Market Order Auction, the Closing Auction and the Trading Halt Auction, as the case may be], the term "Indicative Match Price" shall mean for each security (1) the best price at which the maximum volume of shares are executable; or (2) if there are two or more prices at which the maximum volume of shares are executable, the price that is closest to the closing price of the previous trading day's normal market hours (or, in the case of a Closing Auction or a Trading Halt Auction, the last sale during normal market hours), as determined by the consolidated tape will establish the opening price (or the closing price in the case of a Closing Auction), provided that if such price would trade through an eligible Limited

Price Order designated for such auction, then the opening price will occur at the best price level available where no trade through occurs.

(A) When the Market Order Auction Price or Closing Auction Price is established by NYSE Arca Equities Rule 7.35(c)(3)(A)(1) or 7.35 (e)(3), the Limit Orders eligible for determining the Indicative Match Price shall be limited by the price collar thresholds established by the Corporation. The Corporation shall set and modify such thresholds from time to time upon prior notice to ETP Holders.

Rule 7 Equities Trading

Section 3. NYSE Arca Marketplace

Rule 7.35. Auctions

(h) For purposes of Rule 611(b)(3) of Regulation NMS, orders executed pursuant to the Opening Auction, Closing Auction, Market Open Auction and Halt Auction may trade-through any other Trading Center Manual or Protected Quotations if the transaction that constituted the trade-through was a single-priced opening, reopening, or closing transaction by the trading center.

Rule 7.35P. Auctions

(a) For purposes of this Rule, unless otherwise specified, the term “Market Orders” includes MOO Orders (for the Core Open Auction and Trading Halt Auction) and MOC Orders (for the Closing Auction). The following are definitions for purposes of Rule 7.35P:

(1) “Auction-Eligible Security” means:

(A) For the Early Open Auction, Core Open Auction, and Closing Auction, all securities for which NYSE Arca is the primary listing market and UTP Securities designated by the Corporation.

(B) For a Trading Halt Auction, securities for which NYSE Arca is the primary listing market.

(2) “Auction Processing Period” means the period during which the applicable auction is being processed.

(3) “Auction Imbalance Freeze” means the period that begins before the scheduled time for the Early Open Auction, Core Open Auction, or Closing Auction, as specified in paragraphs (b), (c), and (d) of this Rule, and that ends once the Auction Processing Period begins.

(4) “Auction Imbalance Information” means the information that is disseminated by the Corporation for an auction and includes, if applicable, the Total Imbalance, Market Imbalance, Indicative Match Price, and Matched Volume.

(A) Auction Imbalance Information is updated at least every second, unless there is no change to the information.

(B) Order entry eligibility during an Auction Imbalance Freeze is based on the most recently-updated Auction Imbalance Information.

(C) The Corporation disseminates Auction Imbalance Information via a proprietary data feed during the times specified in this Rule.

(5) “Auction NBBO” means an NBBO that is used for purposes of pricing an auction. An NBBO is an Auction NBBO when (i) there is an NBB above zero and NBO for the security and (ii) the NBBO is not crossed. In addition, for the Core Open Auction, an NBBO is an Auction NBBO when the midpoint of the NBBO when multiplied by a designated percentage, is greater than or equal to the spread of that NBBO. The designated percentage will be determined by the Corporation from time to time upon prior notice to ETP Holders.

(6) “Auction Ranking” means how orders on the side of an Imbalance are ranked for allocation in an auction. Such orders will be ranked in price-time priority under Rule 7.36P(c) – (g) consistent with the priority ranking associated with each order, provided that:

(A) Limit Orders, LOO Orders, and LOC Orders will be ranked based on their limit price and not the price at which they would participate in the auction;

(B) MOO Orders and MOC Orders will be ranked Priority 1 – Market Orders;

(C) LOO Orders and LOC Orders will be ranked Priority 2 – Display Orders; and

(D) Orders on the side of the Imbalance are not guaranteed to participate in an auction.

(7) “Imbalance” means the number of buy (sell) shares that cannot be matched with sell (buy) shares at the Indicative Match Price at any given time and unless

otherwise specified, includes the non-displayed quantity of Reserve Orders eligible to participate in the applicable auction.

(A) “Total Imbalance” means the net Imbalance of all buy (sell) shares at the Indicative Match Price for all orders that are eligible to trade in the applicable auction.

(B) “Market Imbalance” means the imbalance of any remaining buy (sell) Market Orders that are not matched for trading in the applicable auction.

(8) “Indicative Match Price” means the best price at which the maximum volume of shares, including the non-displayed quantity of Reserve Orders, is tradable in the applicable auction, subject to the Auction Collars.

(A) If there are two or more prices at which the maximum volume of shares is tradable, the Indicative Match Price will be the price closest to the Auction Reference Price, specified below, provided that the Indicative Match Price will not be lower (higher) than the price of an order to buy (sell) ranked Priority 2 – Display Orders that was eligible to participate in the applicable auction.

<u>Auction</u>	<u>Auction Reference Price</u>
<u>Early Open Auction</u>	<u>Prior trading day’s Official Closing Price</u>
<u>Core Open Auction</u>	<u>The midpoint of the Auction NBBO or, if the Auction NBBO is locked, the locked price. If there is no Auction NBBO, the prior trading day’s Official Closing Price</u>
<u>Closing Auction</u>	<u>Last consolidated round-lot price of that trading day and, if none, the prior trading day’s Official Closing Price</u>
<u>Trading Halt Auction</u>	<u>Last consolidated round-lot price of that trading day and, if none, the prior trading day’s Official Closing Price</u>
<u>IPO Auction</u>	<u>Zero, unless the Corporation is provided with a price for the security</u>

(B) If there are two prices at which the maximum volume of shares is tradable and both prices are equidistant to the Auction Reference Price, the Indicative Match Price will be the Auction Reference Price.

(C) If the Matched Volume for an auction consists of buy and sell Market Orders only, the Indicative Match Price will be:

(i) For the Core Open Auction, the Auction Reference Price;

(ii) For the Closing Auction, the midpoint of the Auction NBBO as of the time the auction is conducted, provided that if the Auction NBBO is locked, it will be the locked price, and if there is no Auction NBBO, it will be the Auction Reference Price.

(iii) For the Trading Halt Auction, the Auction Reference Price.

(D) If there is a BBO, but no Matched Volume, the Indicative Match Price and Total Imbalance for the Auction Imbalance Information will be:

(i) The side of the BBO that has the higher volume; or

(ii) If the volume of the BB equals the volume of the BO, the BB.

(E) If there is no Matched Volume and Market Orders on only one side of the market, the Indicative Match Price for the Auction Imbalance Information will be zero.

(9) “Matched Volume” means the number of buy and sell shares that can be matched at the Indicative Match Price at any given time.

(10) “Auction Collar” means the price collar thresholds for the Indicative Match Price for the Core Open Auction, Trading Halt Auction, or Closing Auction.

(A) The Auction Collar will be based on a price that is a specified percentage away from the Auction Reference Price for the applicable auction. The Corporation will set and modify the price collar thresholds from time to time upon prior notice to ETP Holders. The upper (lower) boundary of the Auction Collar is the Auction Reference Price increased (decreased) by the specified percentage, truncated to the MPV.

(B) An Indicative Match Price that is equal to or higher (lower) than the upper (lower) boundary of the Auction Collar will be adjusted to one MPV below (above) the upper (lower) boundary of the Auction Collar and orders eligible to participate in the applicable auction will trade at the collared Indicative Match Price.

(C) Limit Orders to buy (sell) with a limit price at or above (below) the upper (lower) Auction Collar will be included in the Auction Imbalance Information at the collared Indicative Match Price and will be eligible to trade at the Indicative Match Price.

(D) Limit Orders to buy (sell) with a limit price below (above) the lower (upper) Auction Collar will not be included in the Auction Imbalance Information and will not participate in the applicable auction.

(b) *Early Open Auction.* The Early Open Auction will be conducted at the beginning of the Early Trading Session. Only Limit Orders in Auction-Eligible Securities designated for the Early Trading Session will be eligible to participate in the Early Open Auction. If there is no Matched Volume for the Early Open Auction, the NYSE Arca Marketplace will open the Early Trading Session with a quote.

(1) Thirty minutes before the Early Trading Session begins, the NYSE Arca Marketplace will begin disseminating the Early Open Auction Imbalance Information. The non-displayed quantity of Reserve Orders eligible to participate in the Early Open Auction will not be included in the Matched Volume or Total Imbalance until the Early Open Auction Imbalance Freeze begins.

(2) The Early Open Auction Imbalance Freeze will begin one minute before the scheduled time for the Early Open Auction.

(3) Limit Orders eligible to trade in the Early Open Auction will be matched and traded at the Indicative Match Price following Auction Ranking as of the time of the Early Open Auction.

(4) The Early Open Auction trade will be designated with a modifier to identify it as an extended hour .T trade.

(c) *Core Open Auction.* The Core Open Auction will be conducted at the beginning of the Core Trading Session. Orders in Auction-Eligible Securities that include a designation for the Core Trading Session and that are eligible to participate in an auction will be eligible to participate in the Core Open Auction.

(1) The NYSE Arca Marketplace will begin publishing Core Open Auction Imbalance Information at 8:00 a.m. Eastern Time. The non-displayed quantity of Reserve Orders that are eligible to participate in the Core Open Auction will not be included in the Matched Volume, Total Imbalance, or Market Imbalance until the Core Open Auction Imbalance Freeze begins.

(2) Beginning one minute before the schedule time for the Core Open Auction, requests to cancel and requests to cancel and replace MOO Orders and LOO Orders will be rejected.

(3) The Core Open Auction Imbalance Freeze will begin five seconds before the scheduled time for the Core Open Auction. Order entry and cancellation will be processed during the Core Open Auction Imbalance Freeze as follows:

(A) MOO Orders and LOO Orders will be rejected.

(B) Market Orders (other than MOO Orders) and Limit Orders designated for the Core Trading Session only will be accepted but will not be included in the calculation of the Indicative Match Price or the Core Open Auction Imbalance Information. Such orders will participate in the Core Open Auction only to offset the Imbalance that is remaining after all orders entered before the Core Open Auction Imbalance Freeze, including the non-display quantity of Reserve Orders, are allocated in the Core Open Auction, and will be allocated in price-time priority under Rule 7.36P(c) – (g) consistent with the priority ranking associated with each order.

(C) Requests to cancel and requests to cancel and replace Market Orders (other than MOO Orders) and Limit Orders designated for the Core Trading Session only will be accepted but not processed until after the Core Open Auction concludes.

(D) All other order instructions will be accepted.

(4) All orders eligible to trade in the Core Open Auction will be matched and traded at the Indicative Match Price following Auction Ranking as of the time of the Core Open Auction.

(5) The Core Open Auction trade will be designated with a modifier to identify it as a Core Open Auction trade.

(d) Closing Auction. The Closing Auction will be conducted at the end of the Core Trading Session. Orders in Auction-Eligible Securities that include a designation for the Core Trading Session and that are eligible to participate in an auction will be eligible to participate in the Closing Auction.

(1) The NYSE Arca Marketplace will begin publishing Closing Auction Imbalance Information one hour before the scheduled time for the Closing Auction. The non-displayed quantity of Reserve Orders that are eligible to participate in the Closing Auction will not be included in the Matched Volume, Total Imbalance, or Market Imbalance until the Closing Auction Imbalance Freeze begins.

(2) The Closing Auction Imbalance Freeze will begin one minute before the scheduled time for the Closing Auction. Order entry and cancellation will be processed during the Closing Auction Imbalance Freeze as follows:

(A) LOC Orders and MOC Orders that are on the same side of the Imbalance, would flip the Imbalance, or would create a new Imbalance will be rejected.

(B) Requests to cancel and requests to cancel and replace MOC Orders and LOC Orders will be rejected.

(C) All other order instructions will be accepted.

(3) All orders eligible to trade in the Closing Auction will be matched and traded at the Indicative Match Price following Auction Ranking as of the time of the Closing Auction.

(4) The Closing Auction trade will be designated with a modifier to identify it as a Closing Auction trade. The Corporation will publish an Official Closing Price for all securities that trade on the NYSE Arca Marketplace.

(e) *Trading Halt Auction.* A Trading Halt Auction will be conducted to re-open trading in an Auction-Eligible Security following a halt or pause of trading in that security in either the Early Trading Session, Core Trading Session, or Late Trading Session, as applicable. Orders that include a designation for the applicable trading session and are eligible to participate in an auction will be eligible to participate in a Trading Halt Auction.

(1) Immediately after trading in an Auction-Eligible Security is halted or paused, the NYSE Arca Marketplace will begin publishing Trading Halt Auction Imbalance Information.

(2) After trading in a security has been halted or paused, the NYSE Arca Marketplace will disseminate the estimated time at which trading in that security will re-open (the "Re-Opening Time").

(3) During a trading halt or pause in an Auction-Eligible Security, entry and cancellations of orders eligible to participate in the Trading Halt Auction will be processed as provided for in Rule 7.18P(c).

(4) All orders eligible to trade in a Trading Halt Auction will be matched and traded at the Indicative Match Price following Auction Ranking as of the Re-Opening Time.

(5) A Trading Halt Auction that occurs during the Early Trading Session or Late Trading Session will be designated with a modifier to identify it as an extended hour .T trade. A Trading Halt Auction that occurs during the Core Trading Session will be designated with a modifier to identify it as a halt auction.

(f) *IPO Auction.* An IPO Auction will be conducted during the Core Trading Session on the first day of trading for any security, including a Derivative Securities Product, for which NYSE Arca is the primary listing market, excluding transfers. An IPO Auction will follow the processing rules of a Core Open Auction, provided that:

(1) NYSE Arca Marketplace will specify the time that an IPO Auction will be conducted.

(2) There will be no Auction Imbalance Freeze, Auction Collars, or restrictions on the entry or cancellation of orders for an IPO Auction.

(3) An IPO Auction will not be conducted if there are only Market Orders on both sides of the market.

(g) Order Processing during an Auction Processing Period. New orders, requests to cancel, and requests to cancel and replace an order that are received during the Auction Processing Period will be accepted but will not be processed until after the applicable auction concludes. A request to cancel and replace an order that was entered during the Auction Processing Period for an order that was also entered during the Auction Processing Period will be rejected.

(h) Transition from Auction to Continuous Trading. After auction processing concludes, including if there is no Matched Volume and an auction is not conducted, the Exchange will transition to continuous trading for the applicable trading session as follows:

(1) Orders that are no longer eligible to trade, either because they are Auction-Only Orders or not eligible for the next trading session, will expire.

(2) Orders that are designated for the trading session following an auction and that were received before the auction or during the Auction Processing Period, and that did not participate in the auction, will become eligible to trade.

(3) Before continuous trading in the Trading Session following the applicable auction begins, orders will be processed as follows:

(A) Any order instructions received during either the Auction Imbalance Freeze or Auction Processing Period that were not processed will be processed.

(B) The working price of orders will be adjusted based on the PBBO or NBBO, as provided for in Rule 7.31P.

(C) If orders that become eligible to trade are marketable, such orders will trade and/or route based on price-time priority of individual orders, as provided for in Rule 7.37P.

(D) After marketable orders have routed or traded, the NYSE Arca Marketplace will publish a quote for the next trading session.

(i) Whenever in the judgment of the Corporation the interests of a fair and orderly market so require, the Corporation may adjust the timing of or suspend the auctions set forth in this Rule with prior notice to ETP Holders.

(j) For purposes of Rule 611(b)(3) of Regulation NMS, the Early Open Auction, Core Open Auction, Closing Auction, Trading Halt Auction, and IPO Auction are single-priced opening, reopening, or closing transactions and may trade through any other Away Market's Manual or Protected Quotations.

Commentary:

.01 During a Short Sale Period:

- (a) For purposes of pricing an auction and ranking orders for allocation in an auction, sell short Market Orders that are adjusted to a Permitted Price will be processed as Limit Orders ranked Priority 2 – Display Orders and will not be included in the Market Imbalance.
- (b) Sell short orders that are included in Auction Imbalance Information, but are not eligible for continuous trading before the applicable auction, will be adjusted to a Permitted Price as the NBB moves both up and down.