

Addition: Underlined
 Deletions: [Bracketed]

Rules of NYSE Arca Equities, Inc.

RULE 1 DEFINITIONS

[Definitions with a paragraph designation that includes a "P" modifier are operative for symbols that are trading on the Pillar trading platform. A definition with the same paragraph designation as a definition with a "P" modifier will not be operative for symbols trading on the Pillar trading platform. Definitions that do not have a companion a version with a "P" modifier are operative for all symbols.]

Rule 1.1. Definitions

Whenever and wherever used herein, unless the context requires otherwise, the following terms shall be deemed to have the meanings indicated:

NYSE Arca Book

(a) [The term "NYSE Arca Book" shall refer to the NYSE Arca Marketplace's electronic file of orders, which contains all the User's orders in each of the Display Order, Working Order and Tracking Order Processes.

(aP)] The term "NYSE Arca Book" refers to the NYSE Arca Marketplace's electronic file of orders, which contains all orders entered on the NYSE Arca Marketplace.

[Imbalance] Reserved

(r) Reserved [For the purposes of Rule 7.35,

(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] Reserved

(s) Reserved [For the purposes of Rule 7.35, 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.

(B) When the Trading Halt Auction Price is established by Rule 7.35(f)(4)(A), the Limit Orders eligible for determining the Indicative Match Price shall be limited by specified price collar thresholds away from the last consolidated sale price before the Trading Halt Auction. The specified percentage for the price collar thresholds is 10% for securities with a consolidated last sale price of \$25.00 or less, 5% for securities with a consolidated last sale price greater than \$25.00 but less than or equal to \$50.00, and 3% for securities with a consolidated last sale price greater than \$50.00. The price collar thresholds specified in this paragraph applicable to Trading Halt Auctions are in effect until January 31, 2017.]

[NOW Recipient (Away Market)]

(ff) [The term "NOW Recipient" shall mean any exchange, ECN or other broker-dealer (1) with which the NYSE Arca Marketplace maintains an electronic linkage and (2) which provides instantaneous responses to NOW Orders routed from the NYSE Arca Marketplace. The Corporation shall designate from time to time those exchanges, ECNs or other broker-dealers that qualify as NOW Recipients.

(ffP)] The term "Away Market" means any exchange, alternative trading system ("ATS") or other broker-dealer (1) with which the NYSE Arca Marketplace maintains an electronic linkage and (2) which provides instantaneous responses to orders routed from the NYSE Arca Marketplace. The Corporation will designate from time to time those ATS's or other broker-dealers that qualify as Away Markets.

Official Closing Price

(gg[P]) The term "Official Closing Price" means the reference price to determine the closing price in a security for purposes of Rule 7 Equities Trading. The Official Closing Price is determined as follows:

- (1) For Auction-Eligible Securities, as defined in Rule 7.35[P](a)(1), the Official Closing Price is the price established in a Closing Auction of one round lot or more on a trading day. If there is no Closing Auction or if a Closing Auction trade is less than a round lot on a trading day, the Official Closing Price is the most recent consolidated last sale eligible trade during Core Trading Hours on that trading day.

- (5) For purposes of Rules 7.31[P](a)(1)(B)(i) and 7.35[P](a)(8)(A) for UTP Securities only, the Official Closing Price is the official closing price disseminated by the primary listing market for that security via a public data feed on a trading day. If the primary listing market does not disseminate an official closing price on a trading day, the Official Closing Price is the most recent consolidated last sale eligible trade during Core Trading Hours on that trading day. If there were no consolidated last sale eligible trades during Core Trading Hours on that trading day, the Official Closing Price will be the prior trading day's Official Closing Price.

RULE 7 EQUITIES TRADING

[Rules with a "P" modifier are operative for symbols that are trading on the Pillar trading platform. If a symbol is trading on the Pillar trading platform, a rule with the same number as a rule with a "P" modifier will no longer be operative for that symbol. The Exchange will announce by Trader Update when symbols are trading on the Pillar trading platform.]

Section 1. General Provisions

[Rule 7.10. Clearly Erroneous Executions

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 sections (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 Corporation 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 Corporation to be clearly erroneous will be removed from the Consolidated Tape.

(b) *Request and Timing of Review.* An ETP Holder that receives an execution on an order that was submitted erroneously to the Corporation for its own or customer account may request that the Corporation review the transaction under this Rule. An Officer of the Corporation or such other employee designee of the Corporation ("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 ETP Holders.

(i) *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 Corporation 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.

(ii) *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 Core Trading Session or the Opening and Late Trading

Session shall be found to be clearly erroneous 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 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 (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:	Core Trading Session Numerical Guidelines (Subject transaction's % difference from the Reference Price:	Opening and Late Trading Session Numerical Guidelines (Subject transaction's % difference from the Reference Price:
Between \$0.00 and \$25.00	10%	20%
Between \$25.01 and \$50.00	5%	10%
Greater than \$50.00	3%	6%
Multi-Stock Event - Filings involving five or more, but less than twenty, securities whose executions occurred within a period of five minutes or less	10%	10%
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	Core Trading Session Numerical Guidelines multiplied by the leverage	Core Trading Session Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)

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, system 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, Opening and Late Session executions, validity of the consolidated tapes 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:

(A) 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

(B) the execution price of the security in question is not within the Outlier Transaction parameters set forth in Paragraph (d)(1)(A) of the Section but breaches the 52-week high or 52-week low, the Corporation may consider Additional Factors as outlined in 7.10(c)(3), in determining if the transaction qualifies for further review or if the Corporation shall decline to act.

(e) *Review Procedures.*

(1) *Determination by Officer.* Unless both parties (or party, in the case of a cross order or an order entered into the Corporation's Portfolio Crossing Service) 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 Core Trading on the following trading day. The parties shall be promptly notified of the determination.

(2) *Appeals.* If an ETP Holder 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 in conjunction with one or more additional market centers, the number of the 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.

(A) The CEE Panel will consist of the NYSE Arca Equities Chief Regulatory Officer ("CRO"), or a designee of the CRO, and representatives from two (2) ETP Holders.

(B) The Exchange shall designate at least ten (10) ETP Holder representatives to be called upon to serve on the CEE Panel as needed. In no case shall a CEE Panel include a person related to 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 Late Trading 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 Corporation on the matter at issue.

(5) If the CEE Panel votes to uphold the decision made pursuant to Rule 7.10(e)(1), the Exchange will assess a \$500.00 fee against the ETP Holder(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 Corporation 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, 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 Corporation 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 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 must be taken by no later than the start of Core Trading on the day following the date of execution(s) under review. Each ETP Holder involved in the transaction shall be notified as soon as practicable, and the ETP Holder 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, 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 Corporation 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 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 must be taken by no later than the start of Core Trading on 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 Corporation, 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 Corporation 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 Corporation is the lesser of \$1.00 or 10% away from the opening price on the listing exchange or association. In such circumstances, the Officer 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 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 must be taken by no later than the start of Core Trading 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 Corporation, 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 the Core Trading Hours 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, 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 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 ETP Holder 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) 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, 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 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 Core Trading Hours 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 ETP Holder 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) above.]

Rule 7.10[P]. Clearly Erroneous Executions

(e) *Review Procedures.*

(5) If the CEE Panel votes to uphold the decision made pursuant to Rule 7.10[P](e)(1), the Exchange will assess a \$500.00 fee against the ETP Holder(s) who initiated the request for appeal.

[Rule 7.11. Limit Up—Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility

The provisions of this Rule shall be in effect during a pilot to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility.

(a) **Limit Up-Limit Down Mechanism.**

(1) **Definitions**

(A) "Plan" means the Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934, Exhibit A to Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012), as it may be amended from time to time.

(B) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan or Exchange rules, as applicable.

(2) **Exchange Participation in the Plan.** The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) **ETP Holder Compliance.** ETP Holders shall comply with the applicable provisions of the Plan.

(4) **Exchange Compliance with the Plan.** Exchange systems shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) **Cancellation of Orders.** Exchange systems shall cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band, except as specified in (a)(6) below.

(A) Incoming marketable interest, including market orders, IOC orders, and limit orders, shall be executed, or if applicable, routed to an away market, to the fullest extent possible, subject to Rules 7.31(a)(1) - (3) (Trading Collars for market orders) and 7.31(b)(2) (price check for limit orders), at prices at or within the Price Bands. Any unexecuted portion of such incoming marketable interest that cannot be executed at prices at or within the Price Bands shall be cancelled and the ETP Holder shall be notified of the reason for the cancellation.

(6) **Discretionary Instruction to Reprice Eligible Limit Orders.** For specified limit orders, ETP Holders may enter an instruction for the Exchange to reprice a buy (sell) order that is priced above (below) the Upper (Lower) Price Band to the Upper (Lower) Price Band rather than cancel the order, provided, however, that if a Discretionary Order includes a discretionary price that is priced above (below) the Upper (Lower) Price Band, the Exchange shall cancel such order.

- (A) Instructions to reprice eligible orders shall be applicable to both incoming and resting orders. If the Price Bands move and the original limit price of a repriced order is at or within the Price Bands, Exchange systems shall reprice such limit order to its original limit price.
- (B) Each time an eligible order is repriced, it shall receive a new time priority.
- (C) The following order types are eligible for repricing instructions: Adding Liquidity Only Orders (Rule 7.31(nn)), Discretionary Order (Rule 7.31(h)(2)), Inside Limit Order (Rule 7.31(d)), Limit Order (Rule 7.31(b)), PNP ISO (Rule 7.31(w)), PNP Order (Rule 7.31(w)), Proactive if Locked Reserve Order (Rule 7.31(hh)), Reserve Order (Rule 7.31(h)(3)), Primary Until 9:45 Order (Rule 7.31(oo)), Primary After 3:55 Order (Rule 7.31(pp)), and Primary Sweep Order (Rule 7.31(kk)).
- (D) **Sell Short Orders.** For an order type eligible for repricing instructions under (6)(C) above that is also a short sell order, during a Short Sale Price Test, as set forth in Rule 7.16(f), a short sale order priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 7.16(f)(ii). Sell short orders that are not eligible for repricing instructions will be treated as any other order pursuant to (a)(5) above.
- (7) **Routing to Away Markets.** Exchange systems shall not route buy (sell) interest to an away market displaying a sell (buy) quote that is above (below) the Upper (Lower) Price Band, provided that the Exchange shall route Primary Only Orders (Rule 7.31(x)), Primary Until 9:45 Orders (Rule 7.31(oo)), Primary After 3:55 Orders (Rule 7.31(pp)), and Primary Sweep Orders (Rule 7.31(kk)) to the primary market regardless of price.
- (8) **Trading Pause during a Straddle State.** The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal trading characteristics.
- (b) **Trading Pause.** During Phase 1 of the Plan, a Trading Pause in Tier 1 NMS Stocks subject to the requirements of the Plan, shall be subject to Plan requirements and paragraph (b)(2) of this Rule; a Trading Pause in Tier 1 NMS Stocks not yet subject to the requirements of the Plan shall be subject to the requirements in paragraphs (b)(1) - (6) of this Rule; and a Trading Pause in Tier 2 NMS Stocks shall be subject to the requirements set forth in paragraphs (b)(1)(B) - (6) of this Rule. Once the Plan has been fully implemented and all NMS Stocks are subject to the Plan, a Trading Pause under the Plan shall be subject to only paragraphs (b)(2) and (6) of this Rule.
- (1) Between 6:45 a.m. and 12:35 p.m. Pacific Time, or in the case of an early scheduled close, 25 minutes before the close of trading, if the price of a security

listed on the Corporation, other than rights and warrants, moves by a percentage specified below within a five-minute period ("Threshold Move"), as calculated pursuant to paragraph (c) below, trading in that security shall immediately pause on the Corporation for a period of five minutes (a "Trading Pause").

(A) The Threshold Move shall be 10% or more with respect to securities included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange Traded Products;

(B) The Threshold Move shall be 30% or more with respect to all Tier 2 NMS Stocks with a price equal to or greater than \$1; and

(C) The Threshold Move shall be 50% or more with respect to all Tier 2 NMS Stocks with a price less than \$1.

The determination that the price of a stock is equal to or greater than \$1 under paragraph (b)(i)(B) above or less than \$1 under paragraph (b)(i)(C) above shall be based on the closing price on the previous trading day, or, if no closing price exists, the last sale reported to the Consolidated Tape on the previous trading day.

- (2) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Corporation shall re-open the security in accordance with the procedures set forth in Rule 7.35 for a Trading Halt Auction. In the event of a significant imbalance at the end of a Trading Pause, the Corporation may delay the re-opening of a security. The Exchange will issue a notification if it cannot resume trading for a reason other than a significant imbalance. Any interest repriced pursuant to paragraph (a)(6) of this Rule shall return to its original order instructions for purposes of the re-opening transaction following a Trading Pause.
- (3) Calculation of Threshold Move. Every second the Corporation shall calculate the Threshold Move by comparing each last consolidated sale price of a security ("Trigger Trade") during the preceding second to a reference price (the "Calculation Time"). The reference price shall be any transaction in that security printed to the Consolidated Tape during the five-minute period before the Calculation Time, except for Trigger Trades in the first five minutes following 6:45 a.m., for which reference prices will begin at 6:45 a.m. Only regular way, in-sequence transactions qualify as either a Trigger Trade or a reference price. The Corporation can exclude a transaction price from use as a reference price or Trigger Trade if it concludes that the transaction price resulted from an erroneous execution.
- (4) Notification of Trading Pauses. If a Trading Pause is triggered under this Rule, the Corporation shall immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934.

- (5) If a primary listing market issues an individual stock trading pause, the Corporation will pause trading in that security 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 the security within 10 minutes of notification of a Trading Pause, the Corporation may resume trading the security.
- (6) During a trading pause issued by another primary listing market, the Corporation will take the following action with respect to new and existing orders:
- (i) maintain all resting orders in the Book;
 - (ii) cancel any unexecuted portion of Market Orders and Pegged Orders;
 - (iii) accept and process all cancellations;
 - (iv) accept and route new Market Orders to the primary market;
 - (v) accept and route PO and PO+ Orders to the primary market; and
 - (vi) reject all other orders until the stock has reopened.]

Rule 7.11[P]. Limit Up—Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility

(a) Limit Up-Limit Down Mechanism.

- (5) **Cancellation of Orders.** Exchange systems will cancel buy (sell) interest that is priced or could be traded above (below) the Upper (Lower) Price Band, except as specified in (a)(6) below.
- (A) Incoming marketable interest, including Market Orders, Limit Orders, and Limit Orders designated IOC will be traded, or if applicable, routed to an Away market, to the fullest extent possible, subject to Rules 7.31[P](a)(1)(B) (Trading Collars for Market Orders) and 7.31[P](a)(2)(B) (price check for Limit Orders), at prices at or within the Price Bands. Any untraded quantity of such incoming marketable interest that cannot be traded at prices at or within the Price Bands will be cancelled and the ETP Holder will be notified of the reason for the cancellation.

(6) **Discretionary Instruction to Reprice Eligible Limit Orders.** ETP Holders may enter an instruction for the working price of a Limit Order to buy (sell) with a limit price above (below) the Upper (Lower) Price Band to be adjusted a price that is equal to the Upper (Lower) Price Band rather than cancel the order.

(D) **Sell Short Orders.** If an eligible order includes a repricing instruction and is also a sell short order, during a Short Sale Price Test, as set forth in Rule 7.16[P](f), a short sale order priced below the Lower Price Band will be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 7.16[P](f)(5)(A). Sell short orders that are not eligible for repricing instructions will be treated as any other order pursuant to (a)(5) above.

(b) **Re-opening of Trading following a Trading Pause.** During Phase 1 of the Plan, a Trading Pause in Tier 1 NMS Stocks subject to the requirements of the Plan, will be subject to Plan requirements and paragraph (b)(2) of this Rule; a Trading Pause in Tier 1 NMS Stocks not yet subject to the requirements of the Plan will be subject to the requirements in paragraphs (b)(1) - (5) of this Rule; and a Trading Pause in Tier 2 NMS Stocks will be subject to the requirements set forth in paragraphs (b)(1)(B) - (5) of this Rule. Once the Plan has been fully implemented and all NMS Stocks are subject to the Plan, a Trading Pause under the Plan will be subject to only paragraphs (b)(2) of this Rule.

(2) **Re-opening of Trading following a Trading Pause.** At the end of the Trading Pause, the Corporation will re-open the security in accordance with the procedures set forth in Rule 7.35[P] for a Trading Halt Auction. In the event of a significant imbalance at the end of a Trading Pause, the Corporation may delay the re-opening of a security. The Exchange will issue a notification if it cannot resume trading for a reason other than a significant imbalance. Any interest repriced pursuant to paragraph (a)(6) of this Rule will return to its original order instructions for purposes of the re-opening transaction following a Trading Pause.

[Rule 7.16. Short Sales

(a) The terms "long", "short", and "short exempt" shall have the meaning given to each by Regulation SHO, 17 CFR 240.200 et seq.

(b) Order Identification. No ETP Holder of the Corporation shall, by the use of any facility of the Corporation, execute any sell order unless such order is indicated as either "long", "short", or "short exempt".

(c) Marking Orders. An ETP Holder must mark all sell orders as "long", "short", or "short exempt". Sales should be marked "short", "short exempt", and "long" in accordance with SEC Rule 200(g).

(d) Covering Short Sales. No ETP Holder of the Corporation shall lend, or arrange for the loan of any security for delivery to the broker for the purchaser after sale, or shall fail to deliver a security on the date delivery is due, if such ETP Holder knows or has reasonable grounds to believe that the sale was effected, or will be effected, pursuant to an order marked "long" unless such ETP Holder knows, or has been informed by the seller (i) that the security sold has been forwarded to the account for which the sale was effected, or (ii) that the seller owns the security sold, that it is then impracticable to deliver such security to such account and that delivery will be made as soon as is possible without undue inconvenience or expense. The provisions of this subsection (d) shall not apply to:

- (1) The lending of a security by an ETP Holder through the medium of a loan to another ETP Holder; or
- (2) Any loan, or arrangement for the loan, of any security, or any failure to deliver any security if, prior to such loan, arrangement, or failure to deliver, the Corporation finds (A) that such sale resulted from a mistake made in good faith; (B) either that the condition of the market at the time the mistake was discovered was such that undue hardship would result from covering the transaction by a "purchase for cash" or that the mistake was made by the seller's broker; and (C) that due diligence was used to ascertain that either (i) the security to be delivered after sale is carried in the account for which the sale was effected, or (ii) such ETP Holder had been informed that the seller owns the security being sold, and as soon as possible without undue inconvenience or expense, will deliver the security owned to the account for which the sale was effected.

(e) **General.** Short sale executions, order marking and securities lending in connection with short sales by ETP Holders shall be subject to, and comply with, the provisions of Regulation SHO under the Securities Exchange Act of 1934.

(f) **Short Sale Price Test Pursuant to Rule 201 of Regulation SHO.** The following provisions shall apply to short sales subject to the provisions of Rule 201 of Regulation SHO:

- (i) **Definitions.** For purposes of this Rule, the terms "covered security," "listing market," and "national best bid" shall have the same meaning as such terms have in Rule 201 of Regulation SHO.

- (ii) **Short Sale Price Test.** Except as provided in subparagraphs (vi) and (vii) below, Corporation systems shall not execute or display a short sale order with respect to a covered security at a price that is less than or equal to the current national best bid if the price of that security decreases by 10% or more, as determined by the listing market for the security, from the security's closing price on the listing market as of the end of regular trading hours on the prior day ("Trigger Price").
- (iii) **Determination of Trigger Price.** For covered securities for which NYSE Arca is the listing market, Corporation systems will determine whether the short sale price test restrictions of Rule 201 of Regulation SHO have been triggered (i.e., whether a transaction in a covered security has occurred at a Trigger Price) and will immediately notify the single plan processor responsible for consolidation of information for the covered security pursuant to Rule 603(b) of Regulation NMS.
- (A) The Corporation will not calculate the Trigger Price of a covered security until it opens trading for that security.
- (B) If a covered security did not trade on the Corporation on the prior trading day (due to a trading halt, trading suspension, or otherwise), the Corporation's determination of the Trigger Price will be based on the last sale price on the Corporation for that security on the most recent day on which the security traded.
- (iv) **Duration of Short Sale Price Test.** If the Short Sale Price Test is triggered by the listing market with respect to a covered security, the Short Sale Price Test shall remain in effect until the close of trading on the next trading day, as provided for in Regulation SHO Rule 201(b)(1)(ii) (the "Short Sale Period").
- (A) If the Corporation determines pursuant to Rule 7.10 that the Short Sale Price Test for a covered security was triggered because of a clearly erroneous execution, the Corporation may lift the Short Sale Price Test before the Short Sale Period ends for securities for which the Corporation is the listing market or, for securities listed on another market, notify the other market of the Corporation's determination that the triggering transaction was a clearly erroneous execution. The Corporation may also lift the Short Sale Price Test before the Short Sale Period ends, for a covered security for which the Corporation is the listing market, if the Corporation has been informed by another exchange or a self-regulatory organization ("SRO") that a transaction in the covered security that occurred at the Trigger Price was a clearly erroneous execution, as determined by the rules of that exchange or SRO.
- (B) If the Corporation determines that the prior day's closing price for a listed security is incorrect in Corporation systems and resulted in an incorrect determination of the Trigger Price, the Corporation may correct the prior day's closing price and lift the Short Sale Price Test before the Short Sale Period ends for securities for which the Corporation is the listing market.

- (v) **Re-pricing of Orders during Short Sale Period.** During the Short Sale Period, short sale orders will be handled by Corporation systems as follows:
- (A) **Reject Option** —ETP Holders may mark individual short sale orders to be rejected back if entered while a symbol is subject to the short sale price test.
 - (B) **MPL Orders** —Mid-Point Passive Liquidity ("MPL") Orders will continue to be priced at the mid-point of the national best bid and national best offer, including situations where the mid-point is not one minimum price increment above the national best bid.
 - (C) **Re-pricing of Marketable Orders** —All other marketable short sale orders will be re-priced by Corporation systems one minimum price increment above the current national best bid ("Permitted Price"). The Permitted Price for securities for which the national best bid is \$1 or more is \$.01 above the national best bid; the Permitted Price for securities for which the national best bid is below \$1 is \$.0001 above the national best bid. To reflect declines in the national best bid, the Corporation will continue to re-price a short sale order at the lowest Permitted Price down to the order's original limit price, or if a market order, until the order is filled.
 - (D) **Undisplayed Orders** —Short sale orders that are not displayable upon entry will be handled as follows by Corporation systems:
 - (i) Market orders and Passive Liquidity ("PL") orders will be re-priced at a Permitted Price. Market orders and PL orders will continuously re-price at a Permitted Price as the national best bid moves both up and down.
 - (ii) PNP ("Post No Preference") Blind Orders ("PNPB") will be re-priced at a Permitted Price. PNPB orders are displayed once they are re-priced. PNPB orders will re-price down when the national best bid moves down but will not move up in price if the national best bid moves up and will instead remain at the price displayed
 - (E) **IOC Orders** —Immediate or Cancel (IOC") orders requiring that all of part of the order be executed immediately will be executed to the extent possible at a Permitted Price and higher and then cancelled, and will not be re-priced.
 - (F) **PNP ISO Orders** —PNP Inter-market Sweep Orders are rejected if the price is at or below the current national best bid.
 - (G) **Proactive if Locked Modifier**— Proactive if Locked Modifiers will be ignored.
 - (H) **PNP and PNP Blind Orders** - PNP and PNP Blind Orders will be rejected on arrival if the limit price of the order is priced at or below the national best bid.

- (vi) **Execution of Permissible Orders during the Short Sale Period.** During the Short Sale Period, Corporation systems will execute and display a short sale order without regard to price if, at the time of initial display of the short sale order, the order was at a price above the then current national best bid. Except as specifically noted in subparagraph (v), short sale orders that are entered into the Corporation prior to the Short Sale Period but are not displayed will be re-priced to a Permitted Price.
- (vii) **Short Exempt Orders.** During the Short Sale Period, Corporation systems will execute and display orders marked "short exempt" without regard to whether the order is at a Permitted Price. Corporation systems will accept orders marked "short exempt" at any time when such systems are open for order entry, regardless of whether the Short Sale Price Test has been triggered.
- (viii) **Order Priority.** During the Short Sale Period, re-priced PNP Blind, PL, MPL Discretion orders will be ranked in the NYSE Arca Book in time order. Market orders will have priority over all other order types. At any time, sell orders may be cancelled and replaced as follows: (A) sell to sell short; (B) sell to sell short exempt; (C) sell short to sell; (D) sell short to sell short exempt; (E) sell short exempt to sell; and (F) sell short exempt to sell short. Orders modified will retain their priority in the NYSE Arca Book provided they are not increasing in volume or changing price.]

Rule 7.16[P]. Short Sales

[Rule 7.18. UTP Regulatory Halts

UTP Regulatory Halts

Whenever, in the exercise of its regulatory function, the UTP Listing Market determines that an UTP Regulatory Halt is appropriate, the Corporation shall halt or suspend trading in that security until the notification by the UTP Listing Market that the halt or suspension is no longer in effect. The Corporation will assume that adequate publication or dissemination has occurred upon the expiration of one hour after initial publication in a national news dissemination service of the information that gave rise to an UTP Regulatory Halt and may, at its discretion, reopen trading at that time, notwithstanding notification from the UTP Listing Market that the halt or suspension is no longer in effect.]

Rule 7.18[P]. Halts

Halts

- (c) The NYSE Arca Marketplace will process new and existing orders in securities listed on the Exchange during a halt, suspension or pause as follows:

- (5) accept all other incoming order instructions until the Auction Processing Period for the Trading Halt Auction, at which point, Rule 7.35[P](g) will govern the entry of incoming orders and order instructions.

Section 3. NYSE Arca Marketplace

[Rule 7.31. Orders and Modifiers

(a) Primary Order Types

(1) Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO when the order reaches the Corporation. Market Orders shall not trade through the NBBO or Protected Quotations. Market Orders shall be rejected if there is no contra-side bid or offer.

(A) Trading Collar. During Core Trading Hours, including the Market Order Auction, a Market Order to buy (sell) will not execute or route to another market center at a price above (below) the Trading Collar. Trading Collars will not apply to Limit Orders.

(B) Calculation of the Trading Collar. The Trading Collar will be based on a price that is a specified percentage away from the consolidated last sale price and it will be continuously updated based on market activity. The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in paragraph (c)(1) of Rule 7.10 (Clearly Erroneous Executions) for the Core Trading Session. The upper boundary of the Trading Collar is the consolidated last sale price increased by the specified percentage, and the lower boundary is the consolidated last sale price decreased by the specified percentage. A halt, suspension, or pause in trading will zero out the Trading Collar values, and the Trading Collar will be recalculated with the first consolidated last sale after trading resumes. If there is no consolidated last sale price on the same trading day, the Exchange will use the last official closing price for the security.

(C) Handling of Market Orders when a Trading Collar is triggered:

- (i) Exchange systems will hold a buy (sell) Market Order(s) or portions thereof that would execute above (below) the Trading Collar until (i) additional opportunities for execution consistent with the Trading Collar restriction become available, either on

the Corporation or on other automated trading centers, or (ii) a new Trading Collar is calculated and the remaining portion of the order(s) is then able to execute or route at prices consistent with the new Trading Collar.

(ii) Multiple Market Orders that become restricted by the Trading Collar will be ranked in time priority. Any Market Order that becomes restricted by the Trading Collar will not be displayed.

(2) Limit Order. An order to buy or sell a stated amount of a security at a specified price or better. A "marketable" Limit Order is a Limit Order to buy (sell) at or above (below) the contra-side PBBO for the security.

(A) A Limit Order will not trade-through, lock or cross Protected Quotations except as provided in Rule 7.37(g)(1).

(B) Limit Order Price Protection. A Limit Order will be rejected if it is priced a specified percentage away from the contra-side national best bid ("NBB") or national best offer ("NBO"). The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in paragraph (c)(1) of Rule 7.10 (Clearly Erroneous Executions) for the Core Trading Session. Limit Order Price Protection will not be applied to Limit Orders entered before Core Trading Hours that are designated for the Core Trading Session or the Market Order Auction.

(3) Inside Limit Order. A Limit Order, which, if routed away pursuant to Rule 7.37(d), will be routed to the contra-side NBBO. Any unfilled portion of the order will not be routed to the next best price level until all quotes at the current contra-side NBBO are exhausted. Once each contra-side NBBO is exhausted, Exchange systems will display the order at that contra-side NBBO price and wait until the updated contra-side NBBO is displayed. If the updated contra-side NBBO is within the limit price of the Inside Limit Order, the Exchange will route to that single price point and continue such assessment at each new contra-side NBBO until the order is filled or no longer marketable. If the order is no longer marketable it will be ranked in the NYSE Arca Book pursuant to Rule 7.36.

(A) An Inside Limit Order is "marketable" when it is priced to buy (sell) at or above (below) the NBBO for the security.

(B) An Inside Limit Order designated as a Primary Until 9:45 Order or a Primary After 3:55 Order will follow the order processing of an Inside Limit Order only when the order is on the NYSE Arca Book.

(C) An Inside Limit Order will not trade through the NBBO or Protected Quotations.

(D) An Inside Limit Order may not be designated as a Discretionary Order or as IOC, but may be designated as NOW.

(b) Time in Force Modifiers

- (1) Day Modifier. Any order to buy or sell designated with a Day Modifier, if not executed, will expire at the end of the day on which it was entered. A Day Modifier cannot be combined with any other Time in Force Modifier.
- (2) Open Modifiers
 - (A) *Good Till Cancelled ("GTC") Modifier*. Any order to buy or sell (or unexecuted portion thereof) designated with a GTC Modifier if not executed, will remain in effect until executed, cancelled by the entering party, or expiration, whichever comes first. All unexecuted portions of orders designated with a GTC Modifier will be cancelled by the Corporation one year after initial entry.
 - (B) *Good Till Date ("GTD") Modifier*. Any order to buy or sell (or unexecuted portion thereof) designated with a GTD Modifier will be set to expire following the close of the core session of the pre-determined date specified by the entering party and, if not executed, will remain in effect until executed, cancelled by the entering party, or expiration, whichever comes first. All unexecuted portions of orders designated with a GTD Modifier will be cancelled by the Corporation one year after initial entry.
- (3) Immediate-or-Cancel ("IOC") Modifier. A Limit Order designated with an IOC Modifier is to be executed in whole or in part as soon as such order is received, and the portion not so executed is to be treated as cancelled. An order designated with an IOC Modifier does not route. The IOC Modifier will override any posting or routing instructions of orders that include the IOC Modifier.
- (4) Fill-or-Kill ("FOK") Modifier. A Limit Order designated FOK is to be executed in full as soon as such order is received. If execution is not possible, the entire order will be immediately cancelled. Orders designated FOK will not route out of NYSE Arca to other market centers.
 - (A) Users may specify a minimum executable size for an order designated FOK, no less than 100 shares. If Users do not specify a minimum executable size, then the order designated FOK will be executed in its entirety or immediately cancelled. An order designated FOK with a specified minimum executable size will execute only against orders that (in aggregate) meet its minimum executable size. Any remaining unexecuted portion of an order designated FOK will be immediately cancelled. An order designated FOK and a minimum executable size that cannot be immediately executed at its minimum size will be immediately cancelled in its entirety.
- (5) NOW Modifier. A Limit Order designated with a NOW Modifier is to be executed in whole or in part on the Corporation, and the portion not so executed shall be routed pursuant to Rule 7.37(d). Any portion not immediately executed by the NOW Recipient shall be cancelled. If an order designated NOW is not marketable when it is submitted to the Corporation, it shall be cancelled. An order designated NOW, if

routed away pursuant to Rule 7.37(d), will be routed to all available quotations in the routing determination, including Protected Quotations. The NOW Modifier will override any posting or routing instructions of orders that include the NOW Modifier.

(c) Auction-Only Order. A Limit or Market Order that is to be executed within an Auction and, if not executed in the auction that it participates in, the balance of the order is cancelled. This order is only available for auctions that take place on the Exchange and the Exchange shall reject any Auction-Only Orders in securities that are not eligible for an auction on the Exchange or if an auction is suspended pursuant to NYSE Arca Equities Rule 7.35(g). Auction-Only Orders are not routed to other exchanges.

(1) A Limit-on-Open Order ("LOO Order"). A LOO Order is a Limit Order that is to be executed only during the Market Order Auction.

(2) A Market-on-Open Order ("MOO Order"). A MOO Order is a Market Order that is to be executed only during the Market Order Auction.

(3) Limit-on-Close Order ("LOC Order"). A LOC Order is a Limit Order that is to be executed only during the Closing Auction.

(4) Market-on-Close Order ("MOC Order"). A MOC Order is a Market Order that is to be executed only during the Closing Auction.

(d) Working Order. Any order with a conditional or undisplayed price and/or size designated as a "Working Order" by the Corporation, including, without limitation:

(1) Discretionary Order. A Limit Order 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"). Discretionary Orders to sell short or designated IOC shall be rejected.

(2) Reserve Order. A Limit Order with a portion of the size displayed and with a reserve portion of the size ("reserve size") that is not displayed on the Corporation. The display quantity of a Reserve Order must be in round lots. A Reserve Order cannot be combined with an order type that could never be displayed on the Corporation and may not be designated IOC. A Reserve Order shall not lock, cross or trade-through a Protected Quotation.

(3) Passive Liquidity Order. An Inside Limit Order to buy or sell a stated amount of a security at a specified, undisplayed price. Passive Liquidity Orders will not route and will be executed in the Working Order Process after all other Working Orders except undisplayed discretionary order interest. Passive Liquidity Orders with a price superior to that of displayed orders will have price priority and will execute ahead of inferior priced displayed orders in the Display Order Process. A Passive Liquidity Order designated IOC shall be rejected.

(4) Mid-Point Passive Liquidity Order ("MPL Order"). A Limit Order priced at the midpoint of the PBBO and not displayed. An order designated as an MPL Order will not route or trade-through a Protected Quotation. The MPL order shall have a minimum order entry size of one share. MPL Orders entered without a limit price or with a FOK modifier shall be rejected.

(A) Users may specify a minimum executable size for an MPL Order, no less than one share. An MPL Order with a specified minimum executable size will execute against an incoming order that meets the minimum executable size and is priced at or better than the midpoint of the PBBO. Should the leaves quantity become less than the minimum size, the minimum size restriction will no longer be enforced on executions. If an incoming marketable order does not meet an MPL Order's minimum executable size condition, the incoming order will not execute against and may trade through such MPL Order.

(B) If the market is locked or crossed, the MPL Order will wait for the market to unlock or uncross before becoming eligible to trade again.

(C) MPL Orders will be ranked in time priority for the purposes of execution as long as the midpoint is within the limit range of the order. MPL Orders always execute at the midpoint and do not receive price improvement. MPL Orders are valid for any session, but do not participate in any auctions.

(D) Users may mark incoming Limit Orders with a "No Midpoint Execution" modifier; so marked, those Limit Orders will ignore MPL Orders and trade against the rest of the book in the ordinary course.

(E) A User may designate an MPL Order as an ALO Order ("MPL-ALO Order").

(5) MPL Order immediate-or-cancel ("MPL-IOC Order"). An MPL Order priced at the midpoint of the PBBO when entered that is designated IOC. Subject to such IOC instructions, MPL-IOC Orders shall follow the same execution and priority rules as an MPL Order, provided, however, (i) an MPL-IOC Order shall have a minimum order entry size of one round lot and (ii) if the market is locked or crossed, the MPL-IOC Order will cancel. An MPL-IOC Order with a minimum executable size that cannot be met upon arrival shall be rejected.

(e) Orders with Instructions Not to Route

(1) Adding Liquidity Only Order ("ALO"). A Limit Order that is accepted and placed in the NYSE Arca book only where the order adds liquidity to the NYSE Arca book, except as provided for in section (e)(1)(C). Once accepted and placed in the NYSE Arca book, ALO Orders will not route to an away market center. The ALO Order shall be designated as Day only, must be designated as either a PNP (including PNP Blind) or MPL Order. ALO Orders will be rejected where, at the time of entry:

- (A) the ALO Order is marketable, except as provided for in section (e)(1)(c);
- (B) the ALO Order will lock or cross the market; or
- (C) the ALO Order would interact with un-displayed orders on NYSE Arca, except that ALO Orders will ignore MPL Orders and proceed to be placed in the NYSE Arca Book and could lock another MPL or MPL-ALO Order unless the User specifies that an MPL Order or MPL-ALO Order may execute against an arriving marketable MPL-ALO Order.

- (2) Intermarket Sweep Order ("ISO"). An ISO means a Limit Order for an NMS stock that meets the requirements of Rule 600(b)(30) of Regulation NMS under the Securities Exchange Act. An ISO is never routed to an away market and may trade through Protected Quotations. Any inbound order received over NMS Linkage will constitute an Intermarket Sweep Order. Users shall be responsible for compliance with SEC Rule 611 of Regulation NMS and NYSE Arca Rule 7.37(e) with respect to Intermarket Sweep Orders. Any order marked ISO will not be rejected or cancelled if it would lock, cross, or be marketable against an away market.
- (3) PNP Order (Post No Preference). A Limit Order to buy or sell that is to be executed in whole or in part on the Corporation, and the portion not so executed is to be ranked in the NYSE Arca Book, without routing any portion of the order to another market center; provided, however, the Corporation shall cancel a PNP Order that would trade-through, lock or cross the Protected Quotation. A PNP Order marked as an ISO may lock and cross and trade-through Manual and Protected Quotations, but only if the User has complied with Rule 7.37(e)(3)(C).
- (4) PNP (Post No Preference) Blind. A PNP Order that, if, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing the protected quotation of an external market or would cause a violation of Rule 611 of Regulation NMS shall be priced to the current best protected offer ("PBO") (for bids) or to the current best protected bid ("PBB") (for offers) and displayed at one minimum price variation ("MPV") below the current PBO (for bids) or above the current PBB (for offers). A PNP Blind order will retain its original limit price irrespective of the prices at which such order is priced and displayed. A PNP Blind order combined with an ALO order will not be cancelled if it is marketable against the PBBO and may not be designated as a Reserve Order.
 - (A) If the PBO (PBB) re-prices higher (lower), a PNP Blind order to buy (sell) shall be re-priced to the updated PBO (PBB) and re-displayed one MPV below (above) the updated PBO (PBB) until it reaches its limit price. If the PBO (PBB) re-prices to be equal to or lower (higher) than the last displayed price of a PNP Blind order to buy (sell), the PNP Blind order shall remain priced and displayed at its last displayed price. If the PBBO changes such that a PNP Blind order would not lock or cross the PBBO of an external market, the order will be displayed as a PNP limit order.

(B) PNP Blind orders are governed by the Exchange's Display Order Process set forth in Rule 7.36. Marketable contra orders will execute first against PNP Blind orders, only at superior prices, then the rest of the book. All PNP Blind orders that are re-priced and re-displayed will retain their priority as compared to other PNP Blind orders based upon the time such orders were initially received by the Exchange, regardless of the price of the order.

(5) Cross Order. A two-sided order designated IOC with instructions to match the identified buy-side with the identified sell-side at a specified price (the "cross price"). The Corporation will cancel a Cross Order at the time of order entry if:

(A) the cross price is marketable against the BBO; or

(B) the cross price would cause an execution at a price that trades through the PBBO, except as provided in Rule 7.37; or

(C) the cross price is between the BBO and does not improve the BBO by the minimum price increment pursuant to Rule 7.6(a).

(6) Tracking Order. An undisplayed, priced round lot order that is eligible for execution in the Tracking Order Process against a contra-side order that is eligible to route pursuant to Rule 7.37(d) and is equal to or less than the size of a resting Tracking Order. An ETP Holder may specify a minimum executable size for a Tracking Order. If a Tracking Order with a minimum size requirement is executed but not exhausted and the remaining portion of the order is less than the minimum size requirement, the Tracking Order shall be cancelled. If a Tracking Order is executed but not exhausted, the remaining portion of the order shall continue to repost in the Tracking Order Process, and shall be assigned a new time priority upon each reposting, until either the total posted size is exhausted or the Tracking Order is cancelled by the submitting ETP Holder. A Tracking Order will execute at the price of the same-side NBBO provided that such price shall not trade-through a Protected Quotation or the price of the Tracking Order. STP Modifiers are ignored for Tracking Orders.

(f) Orders with Specific Routing Instructions

(1) Primary Only Order (PO Order). A Market or Limit Order that is to be routed to the primary market. PO Orders may be entered at any time or until a cut-off time as determined from time to time by the Corporation. The PO Order shall be Day or IOC only, and may not be designated as GTC, a Reserve Order, or as an ISO. If the PO Order is not IOC, the order is not returned to the entering party and remains at the venue routed to, until executed or cancelled. For PO Orders routed to the NYSE or NYSE MKT, the Exchange designates the orders as Do Not Ship ("DNS"), a designation specific to the NYSE and NYSE MKT, which restricts the NYSE or NYSE MKT from routing the order to away market centers. Users may choose to override the DNS designation. If Users choose to override the DNS designation, PO

Orders routed to the NYSE or NYSE MKT will remain at the NYSE or NYSE MKT until executed, routed away, or cancelled.

PO Orders routed to the NYSE or NYSE MKT that are designated as Market on Close ("MOC") or Limit on Close ("LOC") may not be electronically cancelled or reduced in size after 3:45 PM ET, or in the case of an early scheduled close, 15 minutes before the close. Electronic submissions after 3:45 PM ET (or in the case of an early scheduled close, 15 minutes before the close) to cancel or reduce in size a PO Order that has been routed to the NYSE or NYSE MKT and designated as MOC or LOC will be automatically rejected and must be entered manually.

(A) A PO Order entered for participation in the primary market opening must be entered before 6:28 am (Pacific Time).

(B) A PO Order entered for participation in the primary market re-opening after a trading halt must be entered after trading was halted on the Corporation and before the Re-Opening Time. The PO Order will not be included in the Trading Halt Auction.

(C) A PO Order entered for participation in the primary market, other than for participation in the primary market opening or primary market re-opening, must be marked with the modifier PO+.

(2) Primary Until 9:45 Order. A Limit Order entered for participation on the primary market until 9:45 am Eastern Time (6:45 am Pacific Time) after which time the order is cancelled on the primary market and entered on the NYSE Arca Book. The Primary Until 9:45 Order may be Day only and may not be designated as GTC or GTD. Orders that return to the NYSE Arca Book after routing to the primary market will retain their original order attributes.

(3) Primary After 3:55 Order. A Limit Order entered for participation on the Exchange until 3:55 pm Eastern Time (12:55 pm Pacific Time) after which time the order is cancelled on the Exchange and an order is entered for participation on the primary market. The Primary After 3:55 Order may be Day only and may not be designated as GTC or GTD. Orders that route to the primary market at 3:55 pm Eastern Time will retain their original order attributes.

(g) Additional Order Instructions and Modifiers:

(1) Pegged Order. A Limit Order to buy or sell a stated amount of a security at a display price set to track the current bid or ask of the NBBO in an amount specified by the User. 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 7.36(a). A Pegged Order may be designated as a Reserve Order or 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). Pegged Orders may only be entered during the Core Trading Session. If an NBBO does not exist at the time of entry, a Pegged Order shall be rejected. A Pegged Order to sell short entered during a Short Sale Period, as defined in Rule 7.16(f)(iv), shall be rejected. Pegged Orders are priced according to which type of Pegged Order the User designates, as follows:

- (A) Market Pegged Order. A buy order that is pegged to the National Best Offer or a sell order that is pegged to the National Best Bid. To avoid locking the market, an offset value is required.
- (B) Primary Pegged Order. A buy order that is pegged to the National Best Bid or a sell order that is pegged to the National Best Offer. An offset value is permitted on a Primary Pegged Order, but is not required.

The offset value for Pegged Orders may be specified up to two decimals.

- (2) Proactive if Locked Modifier. A Limit Order designated with a Proactive if Locked Modifier will route to another market center pursuant to NYSE Arca Equities Rule 7.37(d) for the away market's displayed size in the instance in which the other market center has locked the order and the locking market has not resolved the locked market situation in a timely manner based upon average response times from other market centers. In the event that the order routed from the NYSE Arca Marketplace to the other market center is not executed in its entirety, the NYSE Arca Marketplace shall post the order or portion thereof in the NYSE Arca Marketplace Book. Proactive if Locked Modifier will apply only to exchange-listed securities.
- (3) Do Not Reduce Modifier. Any Limit Order to buy designated with the Do Not Reduce Modifier will not be reduced by the amount of an ordinary cash dividend on the ex-dividend date. The Do Not Reduce Modifier applies only to ordinary cash dividends; it should be reduced for other distributions such as when a stock goes "ex" a stock dividend or ex rights.
- (4) Do Not Increase Modifier. Any Limit Order to buy designated with the Do Not Increase Modifier will not be increased in shares on the ex-date as a result of a stock dividend or stock distribution.
- (5) Self Trade Prevention Modifier ("STP"). Any incoming order designated with an STP modifier will be prevented from executing against a resting opposite side order also designated with an STP modifier and from the same ETP ID. The STP modifier on the incoming order controls the interaction between two orders marked with STP modifiers. Orders marked with an STP modifier will not be prevented from interacting during any Auction as defined by Rule 7.35.

(A) STP Cancel Newest ("STPN"). An incoming order marked with the STPN modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. The incoming order marked with the STPN modifier will be cancelled back to the originating ETP Holder. The resting order marked with one of the STP modifiers will remain on the NYSE Arca Book.

(B) STP Cancel Oldest ("STPO"). An incoming order marked with the STPO modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. The resting order marked with the STP modifier will be cancelled back to the originating ETP Holder. The incoming order marked with the STPO modifier will remain on the NYSE Arca Book.

(C) STP Decrement and Cancel ("STPD"). An incoming order marked with the STPD modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. If both orders are equivalent in size, both orders will be cancelled back to the originating ETP Holders. If the orders are not equivalent in size, the equivalent size will be cancelled back to the originating ETP Holders and the larger order will be decremented by the size of the smaller order with the balance remaining on the NYSE Arca Book.

(D) STP Cancel Both ("STPC"). An incoming order marked with the STPC modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. The entire size of both orders will be cancelled back to originating ETP Holder.

(h) Q Order. A Limit Order submitted to the NYSE Arca Marketplace by a Market Maker, and designated by a Market Maker as a "Q Order" through such means as the Corporation shall specify.

(1) A Market Maker may instruct the NYSE Arca Marketplace before 6:28 am (Pacific Time) to enter a Q Order on their behalf as follows:

(A) At the last price and size entered by the Market Maker during the previous trading day, either including or excluding reserve size; or

(B) At a specified percentage from the best bid or offer.

(C) Upon execution of a Q Order, the Market Maker will then be responsible for immediately posting a new Q order.

(2) Auto Q Order. A Q Order may be designated as an Auto Q Order that would automatically repost a Q Order after an execution in the NYSE Arca Marketplace book at a designated increment and for the same amount of shares. After an execution, the Auto Q Order would continue to repost in the NYSE Arca Marketplace book pursuant to Rule 7.36 and would be assigned a new price time priority as of the time of each reposting at the determined increment and size until

the total tradable size threshold is reached. When entering an Auto Q Order, a Market Maker would establish the following parameters: (i) price; (ii) size; (iii) buy or sell; (iv) increment update; and (v) total tradable size.

- (3) Q Orders, Auto Q Orders and Reserve Q Orders shall not route, lock, cross or trade-through Protected Quotations.
- (4) Q Orders designated as Intermarket Sweep Orders, that are marketable, or are an odd-lot size shall be rejected.
- (5) Nothing in this Rule shall be construed to relieve a Market Maker of any of its obligations pursuant to Rule 7.23.

Supplementary Material:

.01 Order Type and Modifier Combinations. Users may combine order types and modifiers, unless the terms of the proposed combination are inconsistent.

.02 If two order types are combined that include instructions both for operation on arrival and for how the order operates while resting on the Exchange's book, the instructions governing functionality while incoming will be operative upon arrival. Functionality governing how the order operates while resting on the Exchange's book will govern any remaining balance of the order that is not executed upon arrival.]

Rule 7.31[P]. Orders and Modifiers

(a) Primary Order Types

- (1) Market Order. An unpriced order to buy or sell a stated amount of a security that is to be traded at the best price obtainable without trading through the NBBO. A Market Order must be designated Day and will be rejected on arrival or cancelled if resting if there is no contra-side NBBO. Unexecuted Market Orders are ranked Priority 1 - Market Orders.

- (B) Trading Collar. During Core Trading Hours, a Market Order to buy (sell) will not trade or route to an Away Market at a price at or above (below) the Trading Collar. Trading Collars will not apply to Limit Orders.
 - (i) Calculation of the Trading Collar. The Trading Collar will be based on a price that is a specified percentage away from the consolidated last sale price and it will be continuously updated based on market activity. The specified percentage is equal to the corresponding "numerical guideline" percentage set

forth in Rule 7.10[P](c)(1) (Clearly Erroneous Executions) for the Core Trading Session. The upper boundary of the Trading Collar is the consolidated last sale price increased by the specified percentage truncated to the MPV for the security, and the lower boundary is the consolidated last sale price decreased by the specified percentage truncated to the MPV for the security. A halt, suspension, or pause in trading will zero out the Trading Collar values, and the Trading Collar will be recalculated with the first consolidated last sale after trading resumes. If there is no consolidated last sale price on the same trading day, the Exchange will use the last Official Closing Price for the security.

(2) Limit Order. An order to buy or sell a stated amount of a security at a specified price or better. Unless otherwise specified, the working price and the display price of a Limit Order equal the limit price of the order, it is eligible to be routed, and it is ranked Priority 2 - Display Orders.

(B) Limit Order Price Protection. A Limit Order to buy (sell) will be rejected if it is priced at or above (below) a specified percentage away from the NBO (NBB). The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in paragraph (c)(1) of Rule 7.10[P] (Clearly Erroneous Executions) for the Core Trading Session. The Limit Order Price Protection will not be applied to an incoming Limit Order to buy (sell) if there is no NBO (NBB). Limit Order Price Protection will be applied when an order is eligible to trade. A Limit Order entered before the Core Trading Session that is designated for the Core Trading Session only will become subject to Limit Order Price Protection after the Core Open Auction.

(c) Auction-Only Order. A Limit or Market Order that is to be traded only within an auction pursuant to Rule 7.35[P] or routed pursuant to Rule 7.34[P]. Any quantity of an Auction-Only Order that is not traded in the designated auction will be cancelled.

[Rule 7.34. Trading Sessions

(a) *Sessions*. The NYSE Arca Marketplace shall have three trading sessions each day the Corporation is open for business unless otherwise determined by the Corporation:

- (1) *Opening Session.* The Opening Session shall begin at 1:00:00 am (Pacific Time) and conclude at the commencement of the Core Trading Session. The Opening Auction and the Market Order Auction shall occur during the Opening Session.
- (2) *Core Trading Session.* The Core Trading Session shall begin for each security at 6:30:00 am (Pacific Time) or at the conclusion of the Market Order Auction, whichever comes later, and conclude at 1:00:00 pm (Pacific Time).
- (3) *Late Trading Session.* The Late Trading Session shall begin following the conclusion of the Core Trading Session and conclude at 5:00:00 pm (Pacific Time).
 - (A) The Core Trading Session for the securities described in NYSE Arca Equities Rules 5.1(b)(13), 5.1(b)(18), 5.2(j)(3), 8.100, 8.200, 8.201, 8.202, 8.203, 8.204, 8.300, 8.400, 8.500, 8.600 and 8.700 shall conclude at 1:15:00 pm (Pacific Time) unless otherwise determined by the Corporation.
 - (B) The Corporation shall maintain on its Internet Web site a list that identifies all securities traded on the NYSE Arca Marketplace for which the Core Trading Session extends to 1:15:00 pm (Pacific Time) pursuant to paragraph (a)(3)(A) above. The Corporation shall update that Web site promptly upon any change to the list and indicate on the Web site a "current as of" date.
- (4) *Trading Halts for Trading Pursuant to Unlisted Trading Privileges of Derivative Securities Products on the NYSE Arca Marketplace.*
 - (A) *Opening Session.* If a security described in NYSE Arca Equities Rules 5.1(b)(13), 5.1(b)(18), 5.2(j)(3), 8.100, 8.200, 8.201, 8.202, 8.203, 8.204, 8.300, 8.400, 8.500, 8.600 and 8.700 (for purposes of this Rule 7.34, a "Derivative Securities Product") begins trading on the NYSE Arca Marketplace in the Opening 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, NYSE Arca may continue to trade the Derivative Securities Product for the remainder of the Opening Session.
 - (B) *Core Trading Session.* During the Core Trading Session, if a temporary interruption occurs in the calculation or wide dissemination of the applicable IIV or value of the underlying index by a major market data vendor and the listing market halts trading in the Derivative Securities Product, NYSE Arca, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in the Derivative Securities Product on the NYSE Arca Marketplace.
 - (C) *Late Trading Session and Next Business Day's Opening Session.*

- (1) If the IIV or the value of the underlying index continues not to be calculated or widely available after the close of the Core Trading Session, NYSE Arca may trade the Derivative Securities Product in the Late Trading Session only if the listing market traded such securities until the close of its regular trading session without a halt.
- (2) If the IIV or the value of the underlying index continues not to be calculated or widely available as of the commencement of the Opening Session on the next business day, NYSE Arca shall not commence trading of the Derivative Securities Product in the Opening Session that day. If an interruption in the calculation or wide dissemination of the IIV or the value of the underlying index continues, NYSE Arca 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.
- (5) Trading Halts of Derivative Securities Products Listed on the NYSE Arca Marketplace. With respect to Derivative Securities Products listed on the NYSE Arca Marketplace for which a Net Asset Value ("NAV") (and in the case of Managed Fund Shares under NYSE Arca Equities Rule 8.600 and Managed Trust Securities under NYSE Arca Equities Rule 8.700, a Disclosed Portfolio) is disseminated, if the Exchange becomes aware that the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio) is not being disseminated to all market participants at the same time, it will halt trading in the affected Derivative Securities Product on the NYSE Arca Marketplace until such time as the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio, as applicable) is available to all market participants.

(b) *Market Maker Obligations.*

- (1) Market Makers will be obligated to enter Q Orders in securities in which they are registered in accordance with Rule 7.23, beginning at the start of the Core Trading Session or at such earlier time during the Opening Session as determined from time to time by the Corporation, and continuing until the end of the Core Trading Session. Market Makers are not obligated to enter Q Orders in securities in which they are registered at any times other than those established pursuant to the previous sentence.

(c) *Order Designation.* Any Day Order entered into the NYSE Arca Marketplace may remain in effect for one or more consecutive trading sessions on a particular day. For each Day Order entered into the NYSE Arca Marketplace, the User must designate for which trading session(s) the order will remain in effect.

(d) *Orders Permitted in Each Session.*

- (1) During the Opening Session:

- (A) Orders eligible for the Display Order Process and for the Working Order Process that have been designated as available for the Opening Session are eligible for entry into and execution on the NYSE Arca Marketplace.
 - (B) Users may enter market and Auction-Only Limit Orders for inclusion in the Market Order Auction. Market orders and Auction-Only Limit Orders are not eligible for execution during the Opening Session, except during the Market Order Auction.
 - (C) The Tracking Order Process is not available during the Opening Session.
 - (D) NOW Orders are eligible for execution during the Opening Session, provided, however, NOW Orders are not eligible for the Opening Auction or the Market Order Auction.
 - (E) PNP Orders are eligible for execution during the Opening Session.
 - (F) Limited Price Orders are eligible for execution during the Opening Session.
 - (G) Notwithstanding that the Market Order Auction occurs during the Opening Session, as set forth in Rule 7.34(a)(1), the following orders not designated for the Opening Session shall participate in the Market Order Auction:
 - (i) Market orders designated for the Core Trading Session and entered prior to the conclusion of the Market Order Auction; and
 - (ii) Limited Price Orders designated for the Core Trading Session and entered prior to 6:29 am (Pacific Time).
- (2) During the Core Trading Session:
- (A) Market Orders, NOW Orders, PNP Orders and orders eligible for the Display Order, Working Order and Tracking Order Processes are eligible for entry into and execution on the NYSE Arca Marketplace.
 - (B) Users may enter Market-on-Close Orders, Limit-on-Close Orders, and Limited Price Orders beginning at 6:30 am (Pacific Time) and concluding at 1:00 pm (Pacific Time) for inclusion in the Closing Auction, except as provided in Rule 7.35(e)(2). Market-on-Close Orders and Limit-on-Close Orders are eligible for execution only during the Closing Auction. Market Orders are not eligible for execution in the Closing Auction.
 - (C) Market-on-Close Orders and Limit-on-Close Orders that are not executed during the Closing Auction shall be cancelled.
- (3) During the Late Trading Session:

(A) Orders eligible for the Display Order Process (other than Q Orders) and for the Working Order Process, including NOW Orders and PNP Orders, that have been designated as available for the Late Trading Session are eligible for entry into and execution on the NYSE Arca Marketplace.

(B) Market orders are not eligible for execution during the Late Trading Session.

(C) The Tracking Order Process is not available during the Late Trading Session.

(e) *Customer Disclosures*. No ETP Holder may accept an order from a non-ETP Holder for execution in the Opening or Late Trading Session without disclosing to such non-ETP Holder that:

(1) except for market orders eligible for execution during the Market Order Auction, Limited Price Orders are the only orders that are eligible for execution during the Opening and Late Trading Sessions;

(2) an order must be designated specifically for trading in the Opening and/or Late Trading Session to be eligible for trading in the Opening and/or Late Trading Session; and

(3) extended hours trading 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.

The disclosures required pursuant to this subparagraph (e)(3) 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 extended 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 extended 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 extended hours trading than you would during regular markets hours.

3. Risk of Changing Prices. The prices of securities traded in extended hours trading 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 extended hours trading than you would during regular market hours.
4. Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended 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 extended 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 extended 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 extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

(f) Trades on the NYSE Arca Marketplace executed and reported outside of the Core Trading Session shall be designated as .T trades.]

Rule 7.34[P]. Trading Sessions

(c) Orders Permitted in Each Session.

(1) Early Trading Session. Unless otherwise specified in paragraphs (c)(1)(A) - (E), orders and modifiers defined in Rule 7.31[P] that are designated for the Early Trading Session are eligible to participate in the Early Trading Session.

- (2) Core Trading Session. Unless otherwise specified in paragraphs (c)(2)(A) - (B), all orders and modifiers defined in Rules 7.31[P] and 7.44[P] that are designated for the Core Trading Session are eligible to participate in the Core Trading Session.

- (3) Late Trading Session. Unless otherwise specified in paragraph (c)(3)(A) - (C), the orders and modifiers defined in Rule 7.31[P] that are designated for the Late Trading Session are eligible to participate in the Late Trading Session:

[Rule 7.35. Auctions

(a) Order Entry and Cancellation Before Opening Auction

- (1) Users may submit any orders to the NYSE Arca Marketplace beginning 30 minutes prior to the Opening Session. Any such Limit Orders designated for the Opening Session will be queued until 1:00 am (Pacific Time) at which time they will be eligible to be executed pursuant to paragraph (b) of this Rule. Any such Market Orders will be queued until the Market Order Auction at which time they will be executed pursuant to paragraph (c) of this Rule.
- (2) Only Limit Orders designated for the Opening Session will be eligible for the Opening Auction. Market Orders entered before the Opening Auction or during the Opening Session will participate in the Market Order Auction. Limit Orders designated for the Core Trading Session and not designated for the Opening Session will become eligible for execution at the commencement of the Market Order Auction pursuant to Rule 7.35(c).
- (3) Beginning 30 minutes prior to the Opening Session, and various times thereafter as determined from time to time by the Corporation, the Indicative Match Price of the Opening Auction, and any Imbalance associated therewith, shall be published via electronic means as determined from time to time by the Corporation.
- (4) Orders that are eligible for the Opening Auction may not be cancelled 1 minute prior to the Opening Session until the conclusion of the Opening Auction.

(b) Opening Auction.

- (1) At 1:00 am (Pacific Time), Limit Orders designated for the Opening Session are matched and executed in the Opening Auction.

(2) The orders in the Opening Auction shall be executed at the Indicative Match Price as of the time of the Opening Auction.

(3) Orders that are eligible for, but not executed in, the Opening Auction shall become eligible for the Opening Session immediately upon conclusion of the Opening Auction.

(c) *Market Order Auction.*

For exchange-listed securities, including: (i) exchange-listed securities for which the Corporation is the primary market and (ii) all exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A), the Corporation will conduct a Market Order Auction. For all other exchange-listed securities, the Corporation will route all Market Orders to the primary market until the first opening print on the primary market. After the first opening print on the primary market, all Market Orders and Limit Orders will be processed pursuant to NYSE Arca Equities Rule 7.37. For purposes of this Rule 7.35(c), and unless stated otherwise, references to Market Orders shall include MOO Orders.

(1) Publication of Indicative Match Price and Imbalances

(A) For exchange-listed securities for which the Corporation is the primary market and all exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A)

(1) Beginning at 5:00 am (Pacific Time), and updated real-time thereafter, the Indicative Match Price of the Market Order Auction and the volume of Market Orders and Limit Orders available to trade at such price, and the Market Imbalance and Total Imbalance, if any, shall be published via electronic means. Market Orders shall be included for purposes of calculating the Total Imbalance and Market Imbalance.

Example 1: (1) Market Order to buy 5000 shares;

- (2) LOO Order to sell 1000 at 50;
- (3) Limit Order to sell 1000 at 50.50; and
- (4) Limit Order to sell 500 at 50.75.

The NYSE Arca Marketplace will publish an Indicative Match Price of 50.75, a volume of 5000 shares, a buy Market Imbalance of 2500 shares, and a Total Imbalance of 2500 shares

Example 2: (1) Market Order to buy 3000 shares;

- (2) Market Order to sell 1000;
- (3) Limit Order to sell 1000 at 41.00; and
- (4) Limit Order to sell 1000 at 41.25.

The NYSE Arca Marketplace will publish an Indicative Match Price of 41.25 and a match volume of 3000 shares and will not publish an Imbalance.

(2) Reduction of Imbalances

(A) For exchange-listed securities for which the Corporation is the primary market and all exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A).

(1) Any Imbalance in the Market Order Auction may be reduced by new orders, entered on the side of the market opposite the Imbalance. Orders on the side of the Imbalance shall be executed pursuant to the following priority:

(i) Market Orders;

(ii) Limit Orders eligible for the Opening Session;

(iii) Limit Orders designated for the Core Trading Session and entered before 6:29 am (Pacific Time);

(iv) LOO Orders.

(2) Between 6:29 am (Pacific Time) and the conclusion of the Market Order Auction, Limit Orders eligible for the Opening Session may be cancelled, but Limit Orders not eligible for the Opening Session, Market Orders, and LOO Orders may not be cancelled.

(3) Between 6:29 am (Pacific Time) and the conclusion of the Market Order Auction, Market Orders and LOO Orders may not be entered on the same side as the Imbalance. Market Orders and LOO Orders may be entered on the opposite side of the Imbalance, however, any time before the conclusion of the Market Order Auction.

(3) Determination of Market Order Auction Price

(A) For exchange-listed securities for which the Corporation is the primary market and all exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A), the Market Order Auction Price shall be determined as follows:

(1) If there are Limit Orders in the Market Order Auction eligible for execution, all orders eligible for execution in the Market Order Auction pursuant to NYSE Arca Equities Rule 7.34(d) will be executed at the Indicative Match Price as of 6:30 am (Pacific Time).

- (2) If there are no Limit Orders eligible for execution in the Market Order Auction:
- (i) in the case of exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A) for which the Corporation is not the primary market, as many buy Market Orders and sell Market Orders as possible shall be matched and executed once an NBBO is available, at the midpoint of the first uncrossed NBBO after 6:30 am (Pacific Time); or
 - (ii) in the case of exchange-listed securities, including exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A), for which the Corporation is the primary market, Market Orders shall be rejected and shall not be eligible for paragraph 7.35(c)(3)(A)(3) below.
- (3) The Market Orders that are eligible for both the Market Order Auction and the Core Trading Session, but are not executed in the Market Order Auction, shall become eligible for execution in the Core Trading Session immediately upon conclusion of the Market Order Auction.
- (4) Market Order Auction executions shall be designated with a modifier to identify them as Market Order Auction trades.

(d) Transition to Core Trading Session.

- (1) Limit Orders entered before 6:29 am (Pacific Time) shall participate in the Market Order Auction. Limit Orders designated for the Core Trading Session entered after 6:29 am (Pacific Time) shall become eligible for execution at 6:30 am (Pacific Time) or at the conclusion of the Market Order Auction, whichever is later.
- (2) Market Orders entered after 6:29 am (Pacific Time) and before 6:30 am (Pacific Time), which are eligible for either the Market Order Auction or the Core Trading Session, shall become eligible for execution at 6:30 am (Pacific Time) or at the conclusion of the Market Order Auction, whichever is later, unless otherwise provided in Rule 7.35(c)(2)(C).

(e) Closing Auction

The Corporation will conduct a Closing Auction for (i) exchange-listed securities for which the Corporation is the primary market and (ii) all exchange-listed Derivative Securities Products as defined in Rule 7.34(a)(4)(A). The Corporation may suspend the Closing Auction in these securities pursuant to NYSE Arca Equities Rule 7.35(g).

(1) Publication of Indicative Match Price and Imbalances

- (A) Beginning at 12:00 pm (Pacific Time), and updated real-time thereafter, the Indicative Match Price of the Closing Auction and the volume available to trade

at such price, and the Total Imbalance and Market Imbalance associated with the Closing Auction, if any, will be, published via electronic means.

Example 1:

- (1) LOC Order to buy 1000 shares at 50;
- (2) LOC Order to sell 5000 shares at 40; and
- (3) MOC Order to sell 2000 shares.

The NYSE Arca Marketplace will publish an Indicative Match Price of 40, a match volume of 1000 shares, a Market Imbalance of 1,000 shares and a Total Imbalance of 6,000 shares. The last sale during normal market hours as determined by the consolidated tape was 40.

Example 2:

- (1) MOC Order to buy 3000 shares;
- (2) MOC Order to sell 1000 shares;
- (3) Limit Order to sell 1000 shares at 41; and
- (4) Limit Order to sell 1000 shares at 41.25.

The last sale during normal market hours as determined by the consolidated tape was 41.25. The NYSE Arca Marketplace will publish an Indicative Match Price of 41.25 and a match volume of 3000 shares and will not publish an Imbalance.

(2) Reduction of Imbalances

(A) Any Imbalance in the Closing Auction may be reduced by new orders, entered on the side of the market opposite the Imbalance. Orders on the side of the Imbalance shall be executed pursuant to the following priority:

- (i) MOC Orders;
- (ii) Limit Orders entered prior to the Closing Auction; and
- (iii) LOC Orders.

(B) Between 12:59 pm (Pacific Time) and the conclusion of the Closing Auction, Limit Orders (except LOC Orders) may be cancelled. MOC Orders and LOC Orders may not be cancelled.

(C) Between 12:59 pm (Pacific Time) and the conclusion of the Closing Auction, MOC Orders and LOC Orders may not be entered on the same side as the Imbalance. MOC Orders and LOC Orders that reduce the Imbalance may be entered on the opposite side of the Imbalance, however, any time before the conclusion of the Closing Auction. MOC Orders and LOC Orders that create equilibrium and thereafter convert the Imbalance from a buy to a sell (or convert the Imbalance from a sell to a buy) Imbalance will be rejected.

Example:

(1) LOC Order to buy 1000 shares;

(2) LOC Order to sell 1500 shares, creating an Imbalance of 500 shares on the sell side. A MOC Order or LOC Order to buy 500 shares would be permitted because it achieves equilibrium. However, a MOC Order or LOC Order to buy 1000 shares would not be permitted as it would inverse the Imbalance of 500 shares on the sell side to an Imbalance of 500 shares on the buy side.

(3) Determination of Closing Auction Price

(A) If there are Limit Orders in the Closing Auction eligible for execution, all orders eligible for execution in the Closing Auction pursuant to NYSE Arca Equities Rule 7.34(d) will be executed at the Indicative Match Price as of 1:00 p.m. (Pacific Time).

(B) If there are no Limit Orders eligible for execution in the Closing Auction, MOC Orders shall be rejected.

(C) The MOC Orders that are eligible for, but not executed in, the Closing Auction shall be cancelled immediately upon conclusion of the Closing Auction.

(D) All Closing Auction executions shall be designated with a modifier to identify them as Closing Auction trades.

(f) *Re-Opening After Trading Halts.* To re-open trading in a security following a trading halt in that security, the NYSE Arca Marketplace shall conduct a Trading Halt Auction, as described below:

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

(2) *Publication of Indicative Match Price and Imbalances*

(A) Immediately after trading is halted in a security, and updated real-time thereafter, the Indicative Match Price of the Trading Halt Auction and the volume

available to trade at such price, shall be published via electronic means. If such a price does not exist, the NYSE Arca Marketplace shall indicate via electronic means that an Indicative Match Price does not exist.

- (B) Immediately after trading is halted in a security, and updated real-time thereafter, the Market and Total Imbalance associated with the Trading Halt Auction, if any, shall be published via electronic means. Market Orders shall be included for purposes of calculating the Total Imbalance and Market Imbalance. Limit Orders shall only be included in the Total Imbalance calculations.
- (C) If the difference between the Indicative Match Price and the last price prior to the trading halt, as determined by the Consolidated Tape, is equal to or greater than a pre-determined amount, as determined from time to time by the Corporation, the NYSE Arca Marketplace will assign a "SIG" designator to such Indicative Match Price and publish such designator via electronic means.

(3) Reduction of Imbalances

- (A) Any Imbalance in the Trading Halt Auction may be reduced by new orders, entered on the side of the market opposite the Imbalance, pursuant to the following priority:
 - (i) Market Orders; and
 - (ii) Limit Orders.
- (B) Primary Only Orders may be submitted to the NYSE Arca Marketplace during a trading halt.
- (C) The Corporation, if it deems such action necessary, will disseminate the time, prior to the time that orders are matched pursuant to the Trading Halt Auction, at which orders may no longer be cancelled.

(4) Determination of Trading Halt Auction Price

- (A) For those issues for which the Corporation is the primary market: Orders will be executed at the Indicative Match Price at the Re-Opening Time. If equilibrium exists between buy and sell Market Orders, the match price shall be at the last Corporation sale price in the security regardless of the trading session; however, if the last Corporation sale price is lower than the BBO, the match price shall be the displayed bid in the security, or if the last Corporation sale price is higher than the BBO, the match price will be the displayed offer in the security.
- (5) If any orders are not executed in their entirety during the Trading Halt Auction, then such orders shall be executed in accordance with Rule 7.37 after the completion of the Trading Halt Auction.

(6) After the completion of the Trading Halt Auction, the NYSE Arca Marketplace will re-open for trading the previously halted security in accordance with Rule 7.

(g) 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.

(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 7.35[P]. 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 this Rule [7.35P]:

(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 7.36[P](c) - (g) consistent with the priority ranking associated with each order, provided that:

(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.

(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:

(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 7.36[P](c) - (g) consistent with the priority ranking associated with each order.

(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.

(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 7.18[P](c).

(h) Transition to Continuous Trading. After auction processing concludes, including if there is no Matched Volume and an auction is not conducted or when transitioning from one trading session to another, the Exchange will transition to continuous trading following an auction or when transitioning from one trading session to another as follows:

(3) When transitioning to continuous trading from a prior trading session or following an auction, orders will be processed as follows:

(A) A quote will be published based on unexecuted orders that were eligible to trade in the trading sessions both before and after the transition or auction, i.e., previously-live orders.

(i) Before publishing a quote when transitioning from a prior trading session or following the Early Open Auction, Core Open Auction, or Closing Auction: (1) previously-live orders that are marketable will be traded, routed, or cancelled in time sequence; (2) a new quote will be published only if different from the last-published quote; and (3) if the new published quote is worse than the previously-published quote and would lock or cross the PBBO, the display price of Limit Orders will be adjusted consistent with Rule 7.31[P](a)(2)(C).

- ii) Before publishing a quote following a Trading Halt Auction: (1) previously-live Limit Orders that are designated with a Proactive if Locked/Crossed Modifier or that would be the result of reserve interest replenishing the fully-executed display quantity of a routable Reserve Order will route, if marketable against protected quotations on Away Markets; (2) previously-live orders that are marketable against other orders in the NYSE Arca Book and that would not trade-through a protected quotation will trade; and (3) the display price of all other orders that are marketable against a protected quotation on an Away Market will be adjusted consistent with Rule 7.31[P](a)(2)(C).

- (C) When processing orders, the display price and working price of an order will be adjusted based on the PBBO or NBBO, as provided for in Rule 7.31[P].

Commentary:

.01 During a Short Sale Period (as defined in Rule 7.16[P](f)):

- (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 (as defined in Rule 7.16[P](f)) will be processed as Limit Orders ranked Priority 2 - Display Orders and will not be included in the Market Imbalance.

[Rule 7.36. Order Ranking and Display

The NYSE Arca Marketplace shall display to Users and other market participants all non-marketable Limit Orders in the Display Order Process. The NYSE Arca Marketplace will also disseminate current consolidated quotations/last sale information, and such other market information as may be made available from time to time pursuant to agreement between the Corporation and other market centers.

- (a) *Ranking*. Orders of Users shall be ranked and maintained in the Display Order Process and/or Working Order Process of the NYSE Arca Book according to price-time priority, such that within each price level, all orders shall be organized by the time of entry in the following manner.

(1) *Display Order Process*. Within the Display Order Process:

- (A) Limit Orders, with no other conditions, shall be ranked based on the specified limit price and the time of original order entry.

(B) The displayed portion of Reserve Orders (not the reserve size) shall be ranked at the specified limit price and the time of order entry. If the displayed portion of the Reserve Order is decremented such that 99 shares or fewer are displayed, the displayed portion of the Reserve Order shall be refreshed for

(i) the displayed amount; or

(ii) the entire reserve amount, if the remaining reserve amount is smaller than the displayed amount,

from the reserve portion and shall be submitted and ranked at the specified limit price and the new time that the displayed portion of the order was refreshed.

(C) Discretionary Orders shall be ranked based on the displayed price (not the discretionary price) and the time of order entry. If a Discretionary Order is decremented, it remains ranked based on the displayed price and the time of original order entry.

(2) *Working Order Process.* Within the Working Order Process:

(A) The reserve portion of Reserve Orders shall be ranked based on the specified limit price and the time of original order entry. After the displayed portion of a Reserve Order is refreshed from the reserve portion, the reserve portion remains ranked based on the original time of order entry, while the displayed portion is sent to the Display Order Process with a new time-stamp.

(B) Discretionary Orders shall be ranked based on the displayed price and the time of original order entry. After a Discretionary Order is decremented, it remains ranked as described above.

(3) *Size Modification.* In the event that the size of an order has been modified, such order retains priority if such modification involves a decrease in the size of the order. In the event that the size of the order has been increased and/or the price has been changed, the order will be treated as a new order and will receive a new time priority.

(b) *Display.* Except as otherwise permitted by Rule 7.7, all orders at all price levels in the Display Order Process of the NYSE Arca Book shall be displayed to all Users and other market participants on an anonymous basis.

(c) *Dissemination.* The best-ranked displayed order(s) to buy and the best ranked displayed order(s) to sell in the NYSE Arca Book and the aggregate displayed size of such orders associated with such prices shall be collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 11Ac1-1 under the Exchange Act. If non-marketable odd-lot sized orders can be aggregated to equal at least a round lot, such odd-lot sized orders will be displayed as the best ranked displayed

orders to sell (buy) at the least aggressive price at which such odd-lot sized orders can be aggregated to equal at least a round lot.]

Rule 7.36[P]. Order Ranking and Display

(g) *Ranking Restrictions.* The Exchange will enforce ranking restrictions applicable to specific order or modifier instructions as provided for in Rules 7.31[P] and 7.44[P].

[Rule 7.37. Order Execution

Order Execution

Like-priced orders, bids and offers shall be matched for execution by following Steps 1 through 4 in this Rule; provided, however, for an execution to occur in any Order Process, the price must be equal to or better than (1) the PBBO, in the case of a Limit Order or a Q Order or (2) the NBBO, in the case of an Inside Limit Order, a Pegged Limit Order or a Market Order. If such an order is not executable within those parameters, it may be routed to away markets as provided in paragraph (d) of this rule (however, a User may submit a Primary Only Order that may be routed to an away market without consideration of the NBBO).

(a) *Step 1: Display Order Process.*

(1) An incoming marketable order shall first attempt to be matched for execution against orders in the Display Order Process at the display price of the resident order for the total amount of stock available at that price or for the size of the incoming order, whichever is smaller. Passive Liquidity Orders as defined in NYSE Arca Equities Rule 7.31(d)(3) with a price superior to that of displayed orders will have price priority and will execute ahead of inferior priced displayed orders in the Display Order Process. For the purposes of this subsection, the size of an incoming Reserve Order includes the displayed and reserve size and the size of the portion of the Reserve Order resident in the Display Order Process is equal to its displayed size. If the incoming marketable order has not been executed in its entirety, the remaining part of the order shall be routed to the Working Order Process.

(2) An incoming order that is not marketable shall enter the Working Order Process to be executed against any Discretionary Orders at or better than the NBBO.

(b) *Step 2: Working Order Process.*

(1) An incoming marketable order shall be matched for execution against orders in the Working Order Process in the following manner:

- (A) An incoming marketable order shall be matched against orders within the Working Order Process in the order of their ranking, at the price of the displayed portion or in the case of a Passive Liquidity Order, at its price), for the total amount of stock available at that price or for the size of the incoming order, whichever is smaller.
 - (B) If the BBO is outside the PBBO and any Discretionary Orders within the Working Order Process have a discretionary price equal to or better than the PBBO, the incoming order shall execute against such Discretionary Order(s) at the PBBO up to the size of the smaller of the two orders.
 - (C) If an incoming marketable order is a Discretionary Order or a Reserve Order and its prices overlap with the prices of a Discretionary Order(s) in the Working Order Process, then the orders will be executed at the display price of the order that was entered first up to the size of the smaller of the two orders. For the purposes of this subsection, the size of the incoming Reserve Order includes the displayed and reserve size.
 - (D) If the incoming marketable order has not been executed in its entirety, the remaining part of the order shall be routed to the Tracking Order Process.
- (2) An incoming order that is not marketable shall be matched for execution against orders in the Working Order Process in the following manner:
- (A) The incoming order shall be matched against any Discretionary Orders in the Working Order Process that have discretionary prices that would satisfy an otherwise displayable incoming Limit Order. The execution shall occur at the limited price of the incoming order.
 - (B) If the incoming order is a Discretionary Order and its prices overlap with the prices of a Discretionary Order in the Working Order Process, then the orders will be executed at the discretionary price of the incoming order that would be the best price available for the order entered first.
 - (C) If the incoming order is an ISO, then the order will be executed against Discretionary Orders in the Working Order Process that have discretionary prices that would satisfy the ISO's limit price without regard to whether the transaction would occur at a price outside the Protected Quotation.
- (3) If any change in any Protected Quotation or NBBO (as applicable) or other available away trading interest would cause a potential match between the away order and an order in the Working Order Process, an order shall be routed to that market center or market participant pursuant to Step 4 below after having proceeded through Step 3.

(c) *Step 3: Tracking Order Process.* During Core Trading Hours only, orders may be matched and executed in the Tracking Order Process as follows: If an order that is eligible to route to an away market has not been executed in its entirety pursuant to paragraphs (a) and (b) of this Rule, the NYSE Arca Marketplace shall match and execute any remaining part of such order in the Tracking Order Process in price/time priority.

(d) *Step 4: Routing Away.*

- (1) If an order has not been executed in its entirety pursuant to paragraphs (a) through (c) of this Rule and it has been designated as a PNP Order, IOC, MPL Order, or ISO, the order shall be cancelled, without routing the order to another market center or market participant.
- (2) If an order has not been executed in its entirety pursuant to paragraphs (a) through (c) of this Rule and it has not been designated as a PNP Order, IOC, MPL Order, or ISO, the order shall be routed for execution as follows:
 - (A) if the order is designated as a Market Order, Inside Limit Order, or Pegged Order, the Exchange shall utilize all available quotes in the routing determination, or;
 - (B) if the order designation is as a Limit Order, the Exchange shall utilize available Protected Quotations in the routing determination, or;
 - (i) any order eligible for routing away shall be routed, either in its entirety or as component orders, to another market center or market participant as an ISO:
 - (a) for OTC securities—equal to the price of the quote published by the market center or market participant.

The remaining portion of the order, if any, shall be ranked and displayed in the NYSE Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.

- (ii) Based upon a User's instruction, a marketable Reserve Order may be routed
 - (1) serially as component orders, such that each component corresponds to the displayed size, or
 - (2) only once in its entirety, including both the displayed and reserve portions.
- (C) The order that is routed away shall remain outside the NYSE Arca Marketplace for a prescribed period of time and may be executed in whole or in part subject to the applicable trading rules of the relevant market center or market participant.
- (D) While an order remains outside the NYSE Arca Marketplace, it shall have no time standing, relative to other orders received from Users at the same price which may be executed against the NYSE Arca Book.

(E) Requests from Users to cancel their orders while the order is routed away to another market center or market participant and remains outside the NYSE Arca Marketplace shall be processed, subject to the applicable trading rules of the relevant market center or market participant.

(3) Where an order or portion of an order is routed away and is not executed either in whole or in part at the other market center or market participant (*i.e.*, all attempts at the fill are declined or timed-out), the order shall be ranked and displayed in the NYSE Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.

(4) For an order that has not been executed in its entirety pursuant to paragraphs (a) through (c) of this Rule, and which is otherwise eligible to route away, Users may instruct NYSE Arca to bypass any market centers that are not posting Protected Quotations within the meaning of Regulation NMS.

(e) Locking or Crossing Quotations in NMS Stocks.

(1) Definitions. For purposes of this Rule, the following definitions shall apply:

(A) The term Crossing Quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that is higher than the displayed 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 displayed price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(B) The term Locking Quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that equals the displayed price of a offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of a offer for an NMS stock during regular trading hours at a price that equals the displayed price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(2) Prohibition. Except for quotations that fall within the provisions of paragraph (3) of this Rule, members of the 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 pursuant to an effective national market system plan.

(3) Locked or Crossed Market Exceptions.

(A) The Locking or Crossing Quotation was displayed at a time when the Trading Center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.

(B) The Locking or Crossing Quotation was displayed at a time when a Protected Bid was higher than a Protected Offer in the NMS stock.

(C) The Locking or Crossing Quotation was an Automated Quotation, and the ETP Holder displaying such Automated Quotation simultaneously routed an ISO to execute against the full displayed size of any locked or crossed Protected Quotation.

(f) Self-Help Exceptions

(1) The self-help exception will apply to any trade-through of a Protected Quotation displayed by a Trading Center that is experiencing a failure, material delay, or malfunction of its systems or equipment. NYSE Arca will disregard another Trading Center's bid and offer if the other Trading Center has repeatedly failed to respond within one second to an incoming IOC order after adjusting for order transmission time. In these instances, Protected Quotations may be bypassed by:

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

(B) following the published NYSE Arca policies and procedures for electing the self-help exception.

(g) Additional Exceptions

(1) (1) Intermarket Sweep Order Exception. ISOs may trade-through Protected Quotations when NYSE Arca has simultaneously routed an ISO to execute against the full displayed size of that Protected Quotation. NYSE Arca will accept ISO orders to be executed in the NYSE Arca trading system ("NYSE Arca System") against orders at NYSE Arca's Protected Quotation without regard to whether the execution would trade-through another market's Protected Quotation. The NYSE Arca System may also lock or cross a Protected Quotation if the System has first routed an ISO order to that quotation and all better priced quotations for their full displayed size.

(2) If an ISO is marked as "Immediate-or-Cancel," any remaining balance in the order would be automatically cancelled. If an ISO is not marked as "Immediate-or-Cancel," any remaining balance in the order will be displayed by NYSE Arca without regard to whether that display would lock or cross another market center if the User has complied with Rule 7.37(e)(3)(C).

(3) Single-Price Openings, Reopenings, and Closing Transactions. A transaction that constituted the trade-through is excepted from the Order Protection Rule if it was a single-priced opening, reopening, or closing transaction by NYSE Arca. NYSE Arca will conduct a formalized and transparent process for executing orders during

reopening after a trading halt that involves the queuing and ultimate execution of multiple orders at a single equilibrium price.

- (4) **Benchmark Trades.** NYSE Arca may execute volume-weighted average price ("VWAP") orders, as well as other types of orders that are not priced with reference to the quoted price of the NMS stock at the time of execution and for which the material terms were not reasonably available at the time the commitment to execute the order was made. Benchmark Trades may not trade-through the NYSE Arca Book.
- (5) **Stopped Orders.** The exception applies to the execution by NYSE Arca of a stopped order for the account of a customer when the price of the execution of the order was lower (for a buy order) than the Protected Quotation at the time of execution or was higher (for a sell order) than the Protected Quotation at the time of execution. This exception is contingent upon the customer having agreed to the stop price for each order. Stopped Orders may not trade-through the NYSE Arca Book.
- (6) **Transactions Other Than "Regular-Way" Contracts.** Transactions that are executed other than pursuant to standardized terms and conditions, such as transactions that have extended settlement terms, also are excepted from the Order Protection Rule. Transactions other than "regular-way" contracts may not trade-through the NYSE Area Book.

(h) Exemptions

- (1) **Contingent Order Exemption.** Transactions Qualifying as "Contingent Trades" may trade-through both Manual and Protected Quotes. Transactions executed under this exemption may not trade-through the NYSE Arca Book.
- (2) 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;

(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; and (G) the Exempted NMS Stock Transaction that is part of a contingent trade involves at least 10,000 shares or has a market value of at least \$200,000.

Commentary:

.01 The Exchange uses the following data feeds for the handling, execution, and routing of orders, as well as for regulatory compliance:

Market Center	Primary Source	Secondary Source
BATS Exchange, Inc.	Direct Feed	SIP Data Feed
BATS Y-Exchange, Inc.	Direct Feed	SIP Data Feed
Chicago Stock Exchange, Inc.	SIP Data Feed	n/a
EDGA Exchange, Inc.	Direct Feed	SIP Data Feed
EDGX Exchange, Inc..	Direct Feed	SIP Data Feed
Investors' Exchange, LLC	SIP Data Feed	n/a
NASDAQ OMX BX LLC	Direct Feed	SIP Data Feed
NASDAQ OMX PHLX LLC	Direct Feed	SIP Data Feed
NASDAQ Stock Market LLC	Direct Feed	SIP Data Feed
National Stock Exchange, LLC	SIP Data Feed	n/a
New York Stock Exchange LLC	Direct Feed	SIP Data Feed
NYSE MKT LLC	Direct Feed	SIP Data Feed]

Rule 7.37[P]. Order Execution and Routing

(b) *Routing.* Unless an order has an instruction not to route, after being matched for execution with any contra-side orders in the NYSE Arca Book pursuant to paragraph (a) of this Rule, marketable orders will be routed to Away Market(s).

(2) If an order with an instruction not to route would trade through or lock or cross a protected quotation and is not eligible for an exception to Rule 610 or 611 of Regulation NMS, it will cancel, re-price, or be held undisplayed on the NYSE Arca Book, as provided for in Rules 7.31[P] and 7.44[P].

(5) Except for orders routed to the primary listing market on arrival pursuant to Rule 7.34[P] or designated to route to the primary listing market pursuant to Rule 7.31[P], orders routed to Away Market(s) will be sent as IOC ISOs.

(7) Requests to cancel an order that has been routed will be processed as follows:

(B) For orders routed to the primary listing market on arrival pursuant to Rule 7.34[P] or designated to route to the primary listing market pursuant to Rule 7.31[P], the request to cancel will be routed to the primary listing market.

(c) After executing with eligible contra-side interest on the NYSE Arca Book and/or returning unexecuted after routing to an Away Market(s), any unexecuted non-marketable portion of an order will be ranked consistent with Rule 7.36[P].

(f) Exceptions to the Order Protection Rule

(2) Intermarket Sweep Order Exception.

(B) If an ISO is marked as "Immediate-or-Cancel," any portion of the order not executed upon arrival will be automatically cancelled. If an ISO is not marked as "Immediate-or-Cancel," any balance of the order will be displayed by NYSE Arca without regard to whether that display would lock or cross another market center if the User has complied with Rule 7.37[P](e)(3)(C).

[Rule 7.38. Odd and Mixed Lots

(a) *Order Types.*

(1) *Odd Lots.* All odd lot orders submitted by Users to the NYSE Arca Marketplace must be Market Orders or Limit Orders. The following orders may not be entered in odd lots: Reserve Orders, MPL-IOC Orders, Tracking Orders, or Q Orders.

(2) *Mixed Lots.* Mixed lot orders submitted by Users to the NYSE Arca Marketplace may be any order type supported by the NYSE Arca Marketplace, unless inconsistent with the order type descriptions found in Rule 7.31.

(b) *Ranking and Execution.* Round lot, mixed lot and odd lot orders are treated in the same manner in the NYSE Arca Marketplace.]

Rule 7.38[P]. Odd and Mixed Lots

(a) *Order Types.* Rules 7.31[P] and 7.44[P] specify whether an order may not be entered as an odd lot or mixed lot.

[Rule 7.44. Retail Liquidity Program

(a) Definitions.

(1) Retail Liquidity Provider. A "Retail Liquidity Provider" or "RLP" is an ETP Holder that is approved by the Exchange under this Rule to act as such and that is required to submit Retail Price Improvement Orders in accordance with this Rule.

(2) Retail Member Organization. A "Retail Member Organization" or "RMO" is an ETP Holder that is approved by the Exchange under this Rule to submit Retail Orders.

(3) Retail Order. A "Retail Order" is an agency order or a riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by an RMO, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A Retail Order shall operate in accordance with Rule 7.44(k). A Retail Order may be an odd lot, round lot, or mixed lot.

(4) Retail Price Improvement Order. A "Retail Price Improvement Order" or "RPI" consists of non-displayed interest in NYSE Arca-listed securities and UTP Securities, excluding NYSE-listed (Tape A) securities, that is priced better than the best protected bid ("PBB") or best protected offer ("PBO"), as such terms are defined in Regulation NMS Rule 600(b)(57), by at least \$0.001 and that is identified

as such. Exchange systems will monitor whether RPI buy or sell interest is eligible to interact with incoming Retail Orders. An RPI that is or becomes priced at or inferior to the PBBO will not be eligible to interact with incoming Retail Orders, and such an RPI will cancel if a Retail Order executes against all displayed liquidity at the PBBO and then attempts to execute against the RPI. If not cancelled, an RPI that is no longer priced at or inferior to the PBBO will again be eligible to interact with incoming Retail Orders. An RPI remains non-displayed in its entirety. For securities to which it is assigned, an RLP shall only enter an RPI in their RLP capacity. An RLP is permitted, but not required, to submit RPIs for securities to which it is not assigned, and will be treated as a non-RLP ETP Holder for those particular securities. Additionally, ETP Holders other than RLPs are permitted, but not required, to submit RPIs. An RPI may be an odd lot, round lot, or mixed lot. An RPI must be designated as either a PL or MPL Order, and an order so designated will interact with only Retail Orders.

(b) RMO Qualifications and Application.

- (1) To qualify as an RMO, an ETP Holder must conduct a retail business or route retail orders on behalf of another broker-dealer. For purposes of this Rule, conducting a retail business includes carrying retail customer accounts on a fully disclosed basis
- (2) To become an RMO, an ETP Holder must submit:
 - (A) an application form;
 - (B) supporting documentation, which may include sample marketing literature, Web site screenshots, other publicly disclosed materials describing the ETP Holder's retail order flow, and any other documentation and information requested by the Exchange in order to confirm that the applicant's order flow would meet the requirements of the Retail Order definition; and
 - (C) an attestation, in a form prescribed by the Exchange, that substantially all orders submitted as Retail Orders will qualify as such under this Rule.
- (3) After an applicant submits the application form, supporting documentation, and attestation, the Exchange shall notify the applicant of its decision in writing.
- (4) A disapproved applicant may: (A) request an appeal of such disapproval by the Exchange as provided in paragraph (i) below; and/or (B) reapply for RMO status 90 days after the disapproval notice is issued by the Exchange.
- (5) An RMO may voluntarily withdraw from such status at any time by giving written notice to the Exchange.
- (6) An RMO must have written policies and procedures reasonably designed to assure that it will only designate orders as Retail Orders if all requirements of a Retail

Order are met. Such written policies and procedures must require the ETP Holder to (i) exercise due diligence before entering a Retail Order to assure that entry as a Retail Order is in compliance with the requirements of this Rule, and (ii) monitor whether orders entered as Retail Orders meet the applicable requirements. If an RMO does not itself conduct a retail business but routes Retail Orders on behalf of another broker-dealer, the RMO's supervisory procedures must be reasonably designed to assure that the orders it receives from such other broker-dealer that are designated as Retail Orders meet the definition of a Retail Order. The RMO must (i) obtain an annual written representation, in a form acceptable to the Exchange, from each other broker-dealer that sends the RMO orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements of this Rule; and (ii) monitor whether Retail Order flow routed on behalf of such other broker-dealer meets the applicable requirements.

(c) RLP Qualifications. To qualify as an RLP, an ETP Holder must:

- (1) be registered as a Market Maker ("MM") or Lead Market Maker ("LMM");
- (2) demonstrate an ability to meet the requirements of an RLP;
- (3) have the ability to accommodate Exchange-supplied designations that identify to the Exchange RLP trading activity in assigned RLP securities. An ETP Holder may not use such designation for non-RLP trading activity at the Exchange. An ETP Holder shall not receive credit for its RLP trading activity for which it does not use its designation; and
- (4) have adequate trading infrastructure and technology to support electronic trading.

(d) RLP Application.

- (1) To become an RLP, an ETP Holder must submit an RLP application form with all supporting documentation to the Exchange.
- (2) After an applicant submits an RLP application form with supporting documentation to the Exchange, the Exchange shall notify the applicant of its decision. The Exchange may approve one or more ETP Holders to act as an RLP for a particular security. The Exchange may also approve a particular ETP Holder to act as RLP for one or more securities. Approved RLPs may be assigned securities according to requests made to, and approved by, the Exchange.
- (3) If an applicant is approved by the Exchange to receive RLP status, such applicant must establish connectivity with relevant Exchange systems before such applicant is permitted to trade as an RLP on the Exchange.
- (4) If an applicant is disapproved under this paragraph (d) by the Exchange, the Exchange shall provide written notice of its disapproval. The disapproved applicant

may: (A) request an appeal of such disapproval by the Exchange as provided in paragraph (i) below; and/or (B) reapply for RLP status 90 days after the disapproval notice is issued by the Exchange.

(e) Voluntary Withdrawal of RLP Status. An RLP may withdraw from its status as an RLP by giving notice to the Exchange. Such withdrawal shall become effective when those securities assigned to the withdrawing RLP are reassigned to another RLP. After the Exchange receives the notice of withdrawal from the withdrawing RLP, the Exchange shall reassign such securities as soon as practicable, but no later than 30 days after the date said notice is received by the Exchange. In the event the reassignment of securities takes longer than the 30-day period, the withdrawing RLP shall have no obligations under this Rule 7.44 and shall not be held responsible for any matters concerning its previously assigned RLP securities upon termination of this 30-day period.

(f) RLP Requirements.

(1) An RLP may only enter a Retail Price Improvement Order electronically and directly into Exchange systems and facilities designated for this purpose and only in an RLP capacity for the securities to which it is assigned as RLP. An RLP entering RPIs in securities to which it is not assigned is not required to satisfy the requirements in this paragraph. An RLP must maintain:

(A) a Retail Price Improvement Order that is better than the PBB at least five percent of the trading day for each assigned security; and

(B) a Retail Price Improvement Order that is better than the PBO at least five percent of the trading day for each assigned security.

(2) An RLP's five-percent requirements are calculated by determining the average percentage of time an RLP maintains a Retail Price Improvement Order in each of its RLP securities during the regular trading day on a daily and monthly basis. The Exchange shall determine whether an RLP has met this requirement by calculating the following:

(A) the "Daily Bid Percentage" is calculated by determining the percentage of time an RLP maintains a Retail Price Improvement Order with respect to the PBB during each trading day for a calendar month;

(B) the "Daily Offer Percentage" is calculated by determining the percentage of time an RLP maintains a Retail Price Improvement Order with respect to the PBO during each trading day for a calendar month;

(C) the "Monthly Average Bid Percentage" is calculated for each RLP security by summing the security's "Daily Bid Percentages" for each trading day in a calendar month then dividing the resulting sum by the total number of trading days in such calendar month; and

(D) the "Monthly Average Offer Percentage" is calculated for each RLP security by summing the security's "Daily Offer Percentage" for each trading day in a calendar month and then dividing the resulting sum by the total number of trading days in such calendar month.

(E) Only Retail Price Improvement Orders entered throughout the trading day shall be used when calculating whether an RLP is in compliance with its five-percent requirements.

(3) The five-percent requirement shall not be applicable in the first two calendar months an ETP Holder operates as an RLP. The requirement shall take effect on the first day of the third consecutive calendar month the ETP Holder operates as an RLP.

(g) Failure of RLP to Meet Requirements.

(1) If, after the first two months an RLP acts as an RLP, an RLP fails to meet any of the requirements set forth in paragraph (f) of this Rule for any assigned RLP security for three consecutive months, the Exchange may, in its discretion, take one or more of the following actions:

(A) revoke the assignment of any or all of the affected securities from the RLP;

(B) revoke the assignment of unaffected securities from the RLP; or

(C) disqualify the ETP Holder from its status as an RLP.

(2) Disqualification Determinations. The Exchange shall determine if and when an ETP Holder is disqualified from its status as an RLP. One calendar month prior to any such determination, the Exchange shall notify an RLP of such impending disqualification in writing. When disqualification determinations are made, the Exchange shall provide a written disqualification notice to the ETP Holder.

(3) Appeal and/or Reapplication for RLP Status. An RLP that is disqualified under this paragraph (g) may: (A) appeal such disqualification as provided in paragraph (i) below; and/or (B) reapply for RLP status 90 days after the disqualification notice is issued by the Exchange.

(h) Failure of RMO to Abide by Retail Order Requirements.

(1) If an RMO designates orders submitted to the Exchange as Retail Orders and the Exchange determines, in its sole discretion, that such orders fail to meet any of the requirements set forth in paragraph (a) of this Rule, the Exchange may disqualify an ETP Holder from its status as an RMO.

- (2) **Disqualification Determinations.** The Exchange shall determine if and when an ETP Holder is disqualified from its status as an RMO. When disqualification determinations are made, the Exchange shall provide a written disqualification notice to the ETP Holder.
- (3) **Appeal and/or Reapplication for RMO Status.** An RMO that is disqualified under this paragraph (h) may: (A) appeal such disqualification as provided in paragraph (i) below; and/or (B) reapply for RMO status 90 days after the date of the disqualification notice from the Exchange.

(i) Appeal of Disapproval or Disqualification.

- (1) If an ETP Holder disputes the Exchange's decision to disapprove it under Rule 7.44(b) or (d) or disqualify it under Rule 7.44(g) or (h), the ETP Holder ("appellant") may request, within five business days after notice of the decision is issued by the Exchange, that the Retail Liquidity Program Panel ("RLP Panel") review the decision to determine if it was correct.
 - (A) In the event an ETP Holder is disqualified from its status as an RLP pursuant to paragraph (g) of this Rule, the Exchange shall not reassign the appellant's securities to a different RLP until the RLP Panel has informed the appellant of its ruling.
- (2) The RLP Panel shall consist of the NYSE's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and two officers of the Exchange designated by the Co-Head of U.S. Listings and Cash Execution.
- (3) The RLP Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.
- (4) The RLP Panel may overturn or modify an action taken by the Exchange under this Rule. A determination by the RLP Panel shall constitute final action by the Exchange.

(j) Retail Liquidity Identifier. An identifier shall be disseminated through the Consolidated Quotation System or the UTP Quote Data Feed, as applicable, when RPI interest priced at least \$0.001 better than the PBB or PBO for a particular security is available in Exchange systems ("Retail Liquidity Identifier"). The Retail Liquidity Identifier shall reflect the symbol for the particular security and the side (buy or sell) of the RPI interest, but shall not include the price or size of the RPI interest.

(k) Retail Order Designation. An RMO can designate how a Retail Order will interact with available contra-side interest as follows:

- (1) **Type 1.** A Type 1-designated Retail Order is a limit order that will interact only with available contra-side Retail Price Improvement Orders and all other non-

displayed liquidity and displayable odd lot interest priced better than the PBBO on the opposite side of the Retail Order, excluding contra-side Retail Orders, but will not interact with other available contra-side interest in Exchange systems or route to other markets. The portion of a Type 1-designated Retail Order that does not execute against contra-side Retail Price Improvement Orders or other price-improving liquidity will be immediately and automatically cancelled.

(2) Type 2. A Type 2-designated Retail Order may be marked as Immediate or Cancel, Day, or Market and will function as follows:

(A) A Type 2-designated Retail Order marked as Immediate or Cancel is a limit order that will interact first with available contra-side Retail Price Improvement Orders and all other non-displayed liquidity and displayable odd lot interest priced better than the PBBO on the opposite side of the Retail Order, excluding contra-side Retail Orders. Any remaining portion of the Retail Order will interact with the NYSE Arca Book at prices equal to or better than the PBBO and will be executed as a limit order marked as IOC, pursuant to Rule 7.31(e)(2). Such a Retail Order will not trade through Protected Quotations and will not route.

(B) A Type 2-designated Retail Order marked as Day is a limit order that will interact first with available contra-side Retail Price Improvement Orders and all other non-displayed liquidity and displayable odd lot interest priced better than the PBBO on the opposite side of the Retail Order, excluding contra-side Retail Orders. Any remaining portion of the Retail Order will interact with the NYSE Arca Book and will route to Protected Quotations. Any unfilled balance of such an order will post to the NYSE Arca Book.

(C) A Type 2-designated Retail Order marked as Market will interact first with available contra-side Retail Price Improvement Orders and all other nondisplayed liquidity and displayable odd lot interest priced better than the PBBO on the opposite side of the Retail Order, excluding contra-side Retail Orders. Any remaining portion of the Retail Order will function as a Market Order.

A Retail Order designated with a "No Midpoint Execution" Modifier, pursuant to Rule 7.31(h)(5), will not execute against resting MPL Orders but will execute against eligible Retail Price Improvement Orders that are also designated as MPL Orders.

(l) Priority and Order Allocation.

Retail Price Improvement Orders in the same security shall be ranked and allocated together with all other non-displayed interest and displayable odd lot interest according to price then time of entry into Exchange systems, except PL Orders will be ranked behind all other equally priced interest. Any remaining unexecuted RPI interest will remain available to interact with other incoming Retail Orders. Any remaining unexecuted portion of the Retail Order will cancel, execute, or post to the NYSE Arca Book in accordance with Rule 7.44(k).

Examples of priority and order allocation are as follows:

PBBO for security ABC is \$10.00 - \$10.05

RLP 1 enters a Retail Price Improvement Order to buy ABC at \$10.01 for 500

RLP 2 then enters a Retail Price Improvement Order to buy ABC at \$10.02 for 500

500 RLP 3 then enters a Retail Price Improvement Order to buy ABC at \$10.03 for 500

An incoming Type 1-designated Retail Order to sell ABC for 1,000 would execute first against RLP 3's bid for 500 at \$10.03, because it is the best-priced bid, then against RLP 2's bid for 500 at \$10.02, because it is the next best-priced bid. RLP 1 would not be filled because the entire size of the Retail Order to sell 1,000 would be depleted. The Retail Order executes against RPI Orders in price/time priority.

However, assume the same facts above, except that RLP 2's Retail Price Improvement Order to buy ABC at \$10.02 was for 100. The incoming Retail Order to sell 1,000 would execute first against RLP 3's bid for 500 at \$10.03, because it is the best-priced bid, then against RLP 2's bid for 100 at \$10.02, because it is the next best-priced bid. RLP 1 would then receive an execution for 400 of its bid for 500 at \$10.01, at which point the entire size of the Retail Order to sell 1,000 would be depleted.

Assume the same facts as above, except that RLP 3's order was not an RPI Order to buy ABC at \$10.03, but rather, a non-displayed order to buy ABC at \$10.03. The result will be similar to the result immediately above, in that the incoming Retail Order to sell 1,000 executes first against RLP 3's non-displayed bid for 500 at \$10.03, because it is the best-priced bid, then against RLP 2's bid for 100 at \$10.02, because it is the next best-priced bid. RLP 1 then receives an execution for 400 of its bid for 500 at \$10.01, at which point the entire size of the Retail Order to sell 1,000 is depleted.

As a final example, assume the original facts, except that LMT 1 enters a displayable odd lot limit order to buy ABC at \$10.02 for 60. The incoming Retail Order to sell for 1,000 executes first against RLP 3's bid for 500 at \$10.03, because it is the best priced bid, then against RLP 2's bid for 500 at \$10.02 because it is the next best priced bid entered earliest in time, at which point the entire size of the Retail Order to sell 1,000 is depleted. The displayable odd lot interest entered by LMT 1 does not receive an execution because displayable odd lot interest is ranked in price-time priority with RPIs and all other nondisplayed interest.

To demonstrate how the different types of Retail Orders would interact with available Exchange interest, assume the following facts:

PBBO for security DEF is \$19.99 - \$20.01 (100 x 100)

LMT 1 enters a Limit Order to buy DEF at \$20.00 for 100

RLP 1 then enters a Retail Price Improvement Order to buy DEF at \$20.003 for 100

MPL 1 then enters a Midpoint Passive Liquidity Order to buy DEF at \$21.00 for 100

An incoming Type 2-designated IOC Retail Order to sell DEF for 300 at \$20.00 would execute first against MPL 1's bid for 100 at \$20.005, because it is the best-priced bid, then against RLP 1's bid for 100 at \$20.003, because it is the next best-priced bid, and then against LMT 1's bid for 100 at \$20.00 because it is the next best-priced bid, at which point the entire size of the Retail Order to sell 300 is depleted.

Assume the same facts as above except the incoming order is a Type 2-designated Day Retail Order to sell DEF for 500 at \$20.00. The Retail Order would execute first against MPL 1's bid for 100 at \$20.005, because it is the best-priced bid, then against RLP 1's bid for 100 at \$20.003, because it is the next best-priced bid, and then against LMT 1's bid for 100 at \$20.00 because it is the next best-priced bid. The remaining balance of the Retail Order posts to the NYSE Arca Book at \$20.00, resulting in a PBBO of \$19.99 - \$20.00 (100 x 200).

Assume the same facts as above except the incoming order is a Type 1-designated Retail Order to sell DEF for 300. The Retail Order would execute first against MPL 1's bid for 100 at \$20.005, because it is the best-priced bid, and then against RLP 1's bid for 100 at \$20.003. The remaining balance of the Retail Order would be cancelled and not execute against LMT 1 because Type 1-designated Retail Orders do not interact with interest on the NYSE Arca Book other than nondisplayed liquidity priced better than the PBBO on the opposite side of the Retail Order.

Finally, to demonstrate the priority of displayed interest over Retail Price Improvement Orders, assume the following facts:

PBBO for security GHI is \$30.00 - \$30.05

RLP 1 enters a Retail Price Improvement Order to buy GHI at \$30.02 for 100

LMT 1 then enters a Limit Order to buy GHI at \$30.02 for 100

New PBBO of \$30.02 - \$30.05

RLP 2 then enters a Retail Price Improvement Order at \$30.03 for 100

An incoming Type 2-designated IOC Retail Order to sell GHI for 300 at \$30.01 would execute first against RLP 2's bid for 100 at \$30.03, because it is the best priced bid, then against LMT 1 for 100 at \$30.02 because it is the next best-priced bid. The Retail Order would then attempt to execute against RLP 1, but because RLP 1 was priced at the PBBO and no longer price improving, RLP 1 will cancel. At that point, the remaining balance of the Retail Order will cancel because there are no remaining orders within its limit price.

Assume the same facts as above except the incoming Retail Order is for 200. The Retail Order would execute against RLP 2's bid for 100 at \$30.03, because it is the best-priced bid, then against LMT 1 for 100 at \$30.02 because it is the next best-priced bid. RLP 1 does not cancel because the incoming Retail Order was depleted before attempting to execute against RLP 1. RLP 1 would be eligible to interact with another incoming Retail Order because it would be priced better than the PBBO.

(m) Rule Pilot Program. This rule shall operate for a pilot period set to expire on December 31, 2016. During the pilot period, the Program will be limited to trades occurring at prices equal to or greater than \$1.00 per share, and Exchange systems will reject Retail Orders and RPIs priced below \$1.00. However, Type 2-designated Market Retail Orders may interact at prices below \$1.00 with liquidity outside the Program in the Exchange's regular order book. The Program will operate only during the Core Trading Session. The Exchange will accept Retail Orders and Retail Price Improvement Orders only after the official opening price for the security has been disseminated.]

Rule 7.44[P]. Retail Liquidity Program

(a) Definitions.

- (3) Retail Order. A "Retail Order" is an agency order or a riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by an RMO, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A Retail Order will operate in accordance with Rule 7.44[P](k). A Retail Order may be an odd lot, round lot, or mixed lot.

(i) Appeal of Disapproval or Disqualification.

- (1) If an ETP Holder disputes the Exchange's decision to disapprove it under Rule 7.44[P](b) or (d) or disqualify it under Rule 7.44[P](g) or (h), the ETP Holder ("appellant") may request, within five business days after notice of the decision is issued by the Exchange, that the Retail Liquidity Program Panel ("RLP Panel") review the decision to determine if it was correct.

(l) Priority and Order Allocation.

Retail Price Improvement Orders in the same security will be ranked together with all other interest ranked as Priority 3 - Non-Display Orders. Odd-lot orders ranked as Priority 2 - Display Orders will have priority over orders ranked Priority 3 - Non- Display Orders at each price. Any remaining unexecuted RPI interest will remain available to trade with other incoming Retail Orders. Any remaining unfilled quantity of the Retail Order will cancel, execute, or post to the NYSE Arca Book in accordance with Rule 7.44[P](k).
