

Additions underlined.
Deletions [bracketed]

NYSE RULES

Rule 13. Orders and Modifiers

Market “On-the Open” (MOO) Orders

No change.

Mid-Point Passive Liquidity (MPL) Order

(a) An MPL Order is an undisplayed limit order that automatically executes at the mid-point of the protected best bid or offer (“PBBO”). An MPL Order is not eligible for manual executions, including openings, re-openings, or closing transactions. An MPL Order will interact with any incoming order, including another MPL Order. An MPL Order will not execute if the market is locked or crossed. When the market unlocks or uncrosses, the Exchange will execute all eligible MPL Orders, excluding MPL-ALO Orders described in paragraph (e), and other hidden interest eligible to execute at the midpoint of the PBBO. An MPL Order may execute at prices out to four decimals. An MPL Order will not be eligible to trade if it would trade at a price below \$1.00 or if the execution price would be out to five decimal places above \$1.00. MPL Orders are allocated consistent with Rule 72. The time priority of an MPL Order is based on its time of entry into Exchange systems and does not reset when an MPL Order’s price shifts due to changes in the PBBO.

(b) The following interest may not be designated as an MPL Order:

- (1) DMM interest entered via the Capital Commitment Schedule pursuant to Rule 1000;
- (2) d-Quotes;
- (3) Pegging Interest;
- (4) Interest designated as GTC;
- (5) High-priced securities, as defined in Rule 1000(a)(vi); or

- (6) Retail Orders or Retail Price Improvement Orders, as defined in Rule 107C.
- (c) An MPL Order may include a Minimum Triggering Volume (“MTV”) and will not be eligible to trade unless the aggregated contra-side quantity of all interest marketable at the mid-point of the PBBO is equal to or greater than the MPL Order’s MTV. There will not be a guaranteed trade size based on the MTV. Exchange systems will enforce an MTV restriction even if the unexecuted portion of an MPL Order with an MTV is less than the MTV. An MPL Order that includes an MTV will be rejected if it also includes an STP designation.
- (d) An MPL Order with an STP Modifier will never execute against either another MPL Order or non-MPL Order with an STP Modifier with the same MPID. Exchange systems will cancel an MPL Order with an STP Modifier based only on another MPL Order with an STP modifier with the same MPID. If an MPL Order with an STP Modifier would participate in an execution with a non-MPL Order with an STP Modifier with the same MPID, the MPL Order will be deemed ineligible and will not be elected to participate in the trade.
- (e) An MPL Order with an Add Liquidity Only (“ALO”) Modifier (“MPL-ALO Order”) will not execute on arrival even if marketable, except a non-marketable MPL-ALO Order may trigger a discretionary trade. An MPL-ALO Order will remain non-displayed until triggered to trade by arriving marketable interest. An MPL-ALO Order is only eligible to trade against incoming contra-side interest, and will ignore contra-side interest resting in the NYSE book. A resting MPL-ALO Order is not eligible to trade when same-side arriving interest triggers a trade with contra-side interest. An MPL-ALO Order must be at least one round lot.

Rule 70. Execution of Floor Broker Interest

- (a) – (j) No change.

Supplementary Material:

.25 Discretionary Instruction for Bids and Offers Represented via Floor Broker Agency Interest Files (e-QuotesSM)

- (a) No change.
- (b) Price Discretion
- (i) No change.
- (ii) The minimum price range for a discretionary e-Quote is the minimum price variation set forth in Exchange Rule 62, except for d-Quotes with a midpoint modifier.

(iii) - (iv) No change.

(v) A d-Quote may be designated with a midpoint modifier. The discretionary price range of such an order will be to the midpoint of the PBBO.

(c) – (e) No change.

.30 No change.

.40 No change.

Rule 107C. Retail Liquidity Program

(a) – (j) No change.

(k) **Retail Order Designation.** A Retail Member Organization can designate how a Retail Order will interact with available contra-side interest as follows:

(1) Type 1. A Type 1-designated Retail Order will interact only with available contra-side Retail Price Improvement Orders and MPL 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 will be immediately and automatically cancelled.

(2) Type 2. A Type 2-designated Retail Order will interact first with available contra-side Retail Price Improvement Orders and MPL Orders and any remaining portion of the Retail Order will be executed as a Regulation NMS-compliant Immediate or Cancel Order pursuant to Rule 13.

(3) Type 3. A Type 3-designated Retail Order will interact first with available contra-side Retail Price Improvement Orders and MPL Orders and any remaining portion of the Retail Order will be executed as an NYSE Immediate or Cancel Order pursuant to Rule 13.

(l) Priority and Order Allocation.

Retail Price Improvement Orders in the same security shall be ranked and allocated according to price then time of entry into Exchange systems. When determining the price to execute a Retail Order, Exchange systems consider all eligible RPIs and MPL Orders. If the only interest is RPIs, then the [E]xecutions shall occur at the price level that completes the incoming order's execution. If the only interest is MPL Orders, the Retail Order shall execute at the midpoint of the PBBO. If both RPIs and MPL Orders are present, Exchange systems will evaluate at what price level the incoming Retail Order

may be executed in full (“clean-up price”). If the clean-up price is equal to the midpoint of the PBBO, RPIs will receive priority over MPL Orders, and the Retail Order will execute against both RPIs and MPL Orders at the midpoint. If the clean-up price is worse than the midpoint of the PBBO, the Retail Order will execute first with the MPL Orders at the midpoint of the PBBO and any remaining quantity of the Retail Order will execute with the RPIs at the clean-up price. If the clean-up price is better than the midpoint of the PBBO, then the Retail Order will execute against the RPIs at the clean-up price and will ignore the MPL Orders. Any remaining unexecuted RPI interest and MPL Orders will remain available to interact with other incoming Retail Orders. Any remaining unexecuted portion of the Retail Order will cancel or execute in accordance with Rule 107C(k).

Examples of priority and order allocation are as follows:

Example 1:

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

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

An incoming Retail Order to sell ABC for 1,000 executes first against RLP 3's bid for 500, because it is the best priced bid, then against RLP 2's bid for 500, because it is the next best priced bid. RLP 1 is not filled because the entire size of the Retail Order to sell 1,000 is depleted. The Retail Order executes at the price that completes the order's execution. In this example, the entire 1,000 Retail Order to sell executes at \$10.02 because it results in a complete fill.

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

Example 2:

PBBO for security DEF is \$10.00 – 10.01

RLP 1 enters a Retail Price Improvement Order to buy DEF at \$10.006 for 500

RLP 2 enters a Retail Price Improvement Order to buy DEF at \$10.005 for 500

MPL 1 enters an MPL Order to buy DEF at \$10.01 for 1000

RLP 3 enters a Retail Price Improvement Order to buy DEF at \$10.002 for 1000

An incoming Retail Order to sell DEF for 2,500 arrives. The clean-up price is \$10.002. Because the midpoint of the PBBO is priced better than the clean-up price, the Retail Order executes with MPL 1 for 1000 shares at \$10.005. The Retail Order then executes at \$10.002 against RLP 1's bid for 500, because it is the best-priced bid, then against RLP 2's bid for 500 because it is the next best-priced bid and then RLP 3 receives an execution for 500 of its bid for 1000, at which point the entire size of the Retail Order to sell 2,500 is depleted.

Assume the same facts above. An incoming Retail Order to sell DEF for 1,000 arrives. The clean-up price is \$10.005. Because the clean-up price is equal to the midpoint of the PBBO, RPIs will receive priority over MPL Orders. As a result, the Retail Order executes first against RLP 1's bid for 500, because it is the best-priced bid, then against RLP 2's bid for 500 because it is the next best-priced bid, at which point the entire size of the Retail Order to sell 1,000 is depleted.

(m) Rule Pilot Program. No change.

Rule 1000. Automatic Executions.

(a) – (e) No change.

(f) Price Improvement Offered by CCS Interest

(1) CCS interest may trade inside the Exchange BBO with interest arriving in the Exchange market that:

(A) Will be eligible to trade at or through the Exchange BBO; or

(B) Will be eligible to trade at the price of interest in Exchange systems representing non displayable reserve interest of Reserve Orders and Floor broker agency interest files reserve interest ("hidden interest") or MPL Orders; or

(C) Will be eligible to route to away market interest for execution

if the total volume of CCS interest, plus d-Quote interest in Floor broker agency interest files, plus any interest represented by hidden interest would be sufficient to fully complete the arriving interest at a price inside the Exchange BBO.

(2) No change.

(g) No change.

Supplementary Material:

.10 No change.