



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**Partial Amendment No. 1 to SR-EDGX-2014-18**

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> EDGX Exchange, Inc. (“EDGX” or the “Exchange”) previously submitted a rule filing (SR-EDGX-2014-18) on July 16, 2014, which proposed to amend Rule 1.5 and Chapter XI of its rule book to include additional specificity regarding the current functionality of the Exchange’s System,<sup>3</sup> including the operation of its order types and order instructions. These changes are designed to update the rule book to reflect current system functionality and include: (i) further clarifying the Exchange’s trading sessions and hours of operation by amending Rule 11.1; (ii) describing the process for initial opening and re-opening after a trading halt by adding proposed Rule 11.7, Opening Process; (iii) amending the description of order types, order instructions, and their functionality by deleting the content of Rule 11.5, Order Types and Modifiers, renumbering it as Rule 11.8, and adding proposed Rule 11.6, Definitions; (iv) amending Rule 11.8, Priority of Orders, to provide additional specificity regarding the execution priority of orders and renumbering it as Rule 11.9; and (v) making a series of organizational and conforming changes to Rule 1.5, Rule 8.15, and Chapter XI, as well as moving text from Footnote 4 of the Exchange’s Fee Schedule into proposed Rule 11.21. Unless otherwise stated,<sup>4</sup> the Exchange did not propose to substantively modify the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Exchange Rule 1.5(cc) defines “System” as “the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.”

<sup>4</sup> As discussed in more detail below, the Exchange proposes the following new System functionality:

- Proposed Rule 11.7(c). Alternatively set the price of the Opening Process for securities listed on either the New York Stock Exchange, Inc. or NYSE MKT LLC at the midpoint of the then prevailing NBBO when the first two-sided quotation published by the listing exchange after 9:30:00 a.m. Eastern Time, but before 9:45:00 a.m. Eastern Time if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.
- Proposed Rule 11.7(e). Alternatively set the price of a re-opening at the midpoint of the then prevailing NBBO when the first two-sided quotation is published by the listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported within one second of publication of the first two-sided quotation by the listing exchange.
- Proposed Rule 11.6(j)(1). Require that an order with a Market Peg instruction that is to be displayed by the System on the EDGX Book include an offset equal to or greater than one Minimum Price Variation.

operation of any of the current defined order types or terms or the operation of the System; rather, it intends to provide additional specificity and transparency to Members, Users, and the investing public regarding the Exchange's order types and system functionality, and to organize its rules in a more intuitive and less complex manner.<sup>5</sup>

The proposed rule change was published for comment in the Federal Register on July 31, 2014.<sup>6</sup> The Commission received one comment letter in response to the proposed rule change.<sup>7</sup> The Exchange submitted a response on September 12, 2014.<sup>8</sup> The Exchange is filing this partial Amendment No. 1 to SR-EDGX-2014-18 to remove the proposed Single Re-Price instruction and Short Sale Single Re-Price instruction, as well as make a series of non-substantive, corrective changes to the proposed rule change.

The text of the proposed changes is attached as Exhibit 5. The text of the proposed rules marked to show changes from the original proposal is attached as Exhibit 4.

This Amendment No. 1 makes the following changes to the pending Form 19b-4 and Exhibit 1:

The Exchange proposes to replace in its entirety the first paragraph under the heading, "Re-Pricing (Rule 11.6(l))" on pages 18 through 19 of 257 and pages 107 through 109 of 257 of the filing with the following:

The Exchange currently offers various re-pricing instructions which, in all cases, result in the ranking and/or display of an order at a price other than

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- Proposed Rule 11.6(n)(4). Permit an order with a Post Only Instruction to execute against an order resting on the EDGX Book where it is eligible to receive price improvement as described under the proposed rule.

<sup>5</sup> See Mary Jo White, Chair, Commission, Speech at the Sandler O'Neill & Partners, L.P. Global Exchange and Brokerage Conference, (June 5, 2014), available at <http://www.sec.gov/News/Speech/Detail/Speech/1370542004312#.VDwEPa10w6Y>. The Exchange is currently conducting a review of its System functionality and will file, as appropriate, any proposed rule changes necessary to clarify the operation of its order types not covered by this filing by November 1, 2014.

<sup>6</sup> See Securities Exchange Act Release No. 72676 (July 25, 2014), 79 FR 44520 (July 31, 2014).

<sup>7</sup> See Letter from Suzanne Hamlet Shatto to the Commission, dated August 19, 2014.

<sup>8</sup> See Letter from Eric Swanson, Executive Vice President and General Counsel, to the Commission, dated September 12, 2014.

the order's limit price in order to comply with applicable securities laws and Exchange Rules. Specifically, the Exchange's re-pricing instructions that are designed to permit Users to comply with: (i) Rule 610(d) of Regulation NMS; or (ii) Rule 201 of Regulation SHO are currently described under Exchange Rules 11.5(c)(4) as the "displayed price sliding process"<sup>9</sup> and "short sale price sliding process."<sup>10</sup> The Exchange proposes to delete Rule

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<sup>9</sup> The "displayed price sliding process" is currently described under Rule 11.5(c)(4)(A) as follows:

An EDGX Only Order that, at the time of entry, would cross a Protected Quotation will be re-priced to the locking price and ranked at such price in the EDGX Book. An EDGX Only Order that, if at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation will be displayed by the System at one minimum price variation ("MPV") below the current NBO (for bids) or to one MPV above the current NBB (for offers) (collectively, the "displayed price sliding process"). In the event the NBB changes such that the EDGX Only Order at the original locking price would not lock or cross a Protected Quotation, the order will receive a new timestamp, and will be displayed at the original locking price.

<sup>10</sup> The "short sale price sliding process" is currently described under Rule 11.5(c)(4)(B) – (C) as follows:

An EDGX Only Order that, at the time of entry, could not be executed or displayed pursuant to Rule 201 of Regulation SHO will be re-priced by the System to prevent execution or display at or below the current NBB (such entire process called the "short sale price sliding process"). Any EDGX Only order subject to such re-pricing by the System will be re-priced to display at one MPV above the current NBB ("Permitted Price"). Following the initial adjustment provided for in this paragraph (B), the EDGX Only Order will, to reflect declines in the NBB, continue to be re-priced at the lowest Permitted Price down to the order's original limit price, or if a market order, until the order is filled. The order will receive a new timestamp each time it is re-priced. Alternatively, following the initial adjustment provided for in paragraph (B), the EDGX Only Order may, in accordance with the User's instructions, provided that in all cases the display or execution of such lower prices does not violate Rule 201 of Regulation SHO: (i) be re-priced one additional time to a price that is above the current NBB but equal to the NBB at the time the EDGX Only Order was received and receive a new timestamp; or (ii) not be adjusted further. In the event the NBB changes such that the price of a Non-Displayed Order subject to short sale price sliding would lock or cross the NBB, the Non-Displayed Order will receive a new timestamp, and will be re-priced by the System to a Permitted Price. EDGX Only Orders marked "short exempt" shall not be subject to

11.5(c)(4) in its entirety and replace it with proposed Rule 11.6(l), which will describe in more detail and provide additional specificity regarding the re-pricing instructions currently available to Users by introducing and defining three new terms with regard to Regulation NMS compliance – Price Adjust, Hide Not Slide, and Routed and Returned Re-Pricing, and two new terms with regard to Regulation SHO compliance – Short Sale Price Adjust and Short Sale Price Sliding.<sup>11</sup> The Exchange also proposes to describe in its rules the re-pricing instruction for orders that are not displayed by the System on the EDGX Book. By providing additional specificity in proposed Rule 11.6(l) regarding the available re-pricing instructions, the Exchange believes the proposed rules will aid the understanding of Members, Users, and the investing public with respect to the operation of the System and the manner in which orders subject to re-pricing are handled and displayed by the System on the EDGX Book.

The Exchange proposes to replace in its entirety the first paragraph under the heading, “Re-Pricing Instructions to Comply with Rule 610(d) of Regulation NMS” on page 19 of 257 and page 109 of 257 of the filing with the following:

Proposed Rule 11.6(l)(1) sets forth the following re-pricing instructions to comply with Rule 610(d) of Regulation NMS: (i) Price Adjust; (ii) Hide Not Slide; and (iii) Routed and Returned Re-Pricing. As discussed in more detail under the description of proposed Rule 11.8, the Exchange notes a Limit Order that, if displayed by the System on the EDGX Book at its limit price upon entry would be a Locking Quotation or Crossing Quotation, will be automatically defaulted by the System to the Price Adjust instruction, unless the User affirmatively elects: (i) the Cancel Back instruction; or (ii) the Hide Not Slide instruction.

The Exchange proposes to replace in its entirety the first paragraph under the heading, “Hide Not Slide (Rule 11.6(l)(B))” on page 21 of 257 and pages 111 through 112 of 257 of the filing with the following:

If the User elects the Hide Not Slide instruction, where a buy (sell) order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed at a price that is one Minimum Price Variation lower (higher) than the

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the short sale price sliding process.

<sup>11</sup> Other exchanges utilize similar re-pricing processes. See e.g., Chicago Stock Exchange, Inc. (“CHX”) Art. I, Rule 2(b)(1)(C), BZX Rules 11.9(c)(4), (6) and 11.9(g)(2), BATS-Y Exchange, Inc. (“BYX”) Rules 11.9(c)(4), (6) and 11.9(g)(2), and Nasdaq’s “Re-pricing of Orders during Short Sale Period” described in Nasdaq Rule 4763(e).

Locking Price, will be ranked at the midpoint of the NBBO with discretion to execute at the Locking Price; provided, however, that if a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book, the order will be ranked at the midpoint of the NBBO but its discretion to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGX Book that equals the Locking Price. The Exchange suspends the discretion of an order to execute at the Locking Price when there is a contra-side displayed order on the EDGX Book at that price to avoid an apparent violation of the displayed order's priority. Where the NBBO changes such that the order, if displayed by the System on the EDGX Book at the Locking Price would not be a Locking Quotation or Crossing Quotation, the System will rank and display such orders at the Locking Price. The order will not be subject to further re-ranking and will be displayed by the System on the EDGX Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp when it is ranked at the Locking Price. All orders that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Hide Not Slide instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.<sup>12</sup>

The Exchange proposes to replace in its entirety Example No. 1 on page 22 of 257 and pages 112 through 113 of 257 of the filing with the following:

Example No. 1. Assume the NBBO is \$10.00 by \$10.10 and there are no orders to sell resting on the EDGX Book. A non-routable Limit Order with a Hide Not Slide instruction to buy 100 shares at \$10.11 is entered into the System. Such order will be displayed by the System on the EDGX Book at \$10.09 with discretion to execute up to \$10.10, and be ranked by the System at the new midpoint of the NBBO of \$10.095. The NBBO will update to \$10.09 by \$10.10 and the midpoint of the NBBO will be \$10.095. If a Limit Order to sell 100 shares at \$10.09 or less is entered into the System, such order would execute against the Limit Order at \$10.095. If a Limit Order to sell 100 shares is entered at \$10.10 and there are no displayed orders to sell in the System at \$10.10, such order will execute against the Limit Order to buy at \$10.10.

The Exchange proposes to replace in its entirety Example No. 4 which starts on the bottom of pages 22 through 23 of 257 and pages 114 through 115 of 257 of the filing with the following:

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<sup>12</sup> Orders that are re-ranked and re-displayed pursuant to the Hide Not Slide instruction maintain the same priority as orders that are re-ranked and re-displayed pursuant to the Routed and Returned Re-Pricing instruction at the same price. See proposed Exchange Rules 11.9(a)(2)(B)(i) and (C)(ii).

Example No. 4. Resting Sell Order Prevents Displayed Limit Order with a Post Only Instruction to Buy from Executing at Locking Price

Assume the NBBO is \$10.00 by \$10.10. Also, assume there is a Limit Order with a Displayed instruction to sell 100 shares at \$10.10 on the EDGX Book. A Limit Order with a Displayed, Post Only, and Hide Not Slide instruction to buy 100 shares at \$10.10 is entered into the System. The Limit Order with the Displayed, Post Only, and Hide Not Slide instructions will be ranked at \$10.095 and displayed by the System on the EDGX Book at \$10.09. While the order would have discretion to trade at the Locking Price of \$10.10, that discretion is suspended and the order will not be able to execute at the Locking Price of \$10.10 because: (i) there is a displayed sell order at that price on the EDGX Book; and (ii) the Post Only instruction on the Limit Order prevents execution upon entry.<sup>13</sup> If a Limit Order to sell 100 shares at \$10.10 is entered into the System, such order will not execute against the Limit Order with both the Post Only and Hide Not Slide instructions to buy at \$10.10 because there is a resting displayed Limit Order to sell 100 shares at \$10.10. Assuming no changes to the above conditions, if a Limit Order to sell 100 shares at \$10.09 is entered into the System, it would execute against the Limit Order with a Post Only and Hide Not Slide instruction to buy at \$10.095.

The Exchange proposes to replace in its entirety the first full paragraph under the heading “Routed and Returned Re-Pricing (Rule 11.6(l)(b)(i))” on page 23 of 257 and page 115 of 257 of the filing with the following:

The portion of a Limit Order that is returned to the System after being routed away in accordance with Rule 11.9(b) (proposed to be renumbered as Rule 11.11), that, if displayed by the System on the EDGX Book at its limit price at the time of entry in the System, would be a Locking Quotation or Crossing Quotation, will be automatically defaulted by the System to the Routed and Returned Re-Pricing instruction, unless the User affirmatively elects the Cancel Back instruction, Price Adjust instruction, or the Hide Not Slide instruction.

The Exchange proposes to replace in its entirety the example under the heading

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<sup>13</sup> As noted elsewhere in this proposal, the Exchange notes that an order with a Post Only Instruction and a Hide Not Slide instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below \$1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. See proposed Exchange Rule 11.6(n)(4).

“Operation of Orders with a Routed and Returned Re-Pricing Instruction” on pages 24 through 25 of 257 and pages 116 through 117 of 257 of the filing with the following:

The following examples illustrate the operation of the Routed and Returned Re-Pricing instruction:

Assume the NBBO is \$10.00 by \$10.10. Also, assume there are no sell orders resting on the EDGX Book. A Limit Order to buy 100 shares at \$10.11 is returned to the EDGX Book after being routed to an away Trading Center. If displayed by the System on the EDGX Book, the returned Limit Order would be a Crossing Quotation. The order would default to the Routed and Returned Re-Pricing instruction unless the User affirmatively elects the Cancel Back instruction, the Price Adjust instruction, or the Hide Not Slide instruction. The Limit Order subject to the Routed and Returned Re-Pricing instruction will be ranked at \$10.095, with discretion to execute up to \$10.10, and displayed by the System on the EDGX Book at \$10.09 with a new time stamp. If the NBO moves to \$10.11, the Limit Order subject to the Routed and Returned Re-Pricing instruction will be re-priced and ranked at the new midpoint of the NBBO at \$10.105 with discretion to execute up to \$10.11, and displayed by the System on the EDGX Book at \$10.10 with a new time stamp. Then, a new order with both a Hide Not Slide and Post Only instruction is entered to buy 300 shares at 10.11. The order with the Hide Not Slide instruction will also be ranked at \$10.105, with discretion to execute up to \$10.11, and displayed by the System on the EDGX Book at \$10.10. If the NBO moves to \$10.12, the Limit Order subject to the Routed and Returned Re-Pricing instruction and the order with the Hide Not Slide instruction will both be re-priced, ranked, and displayed at \$10.11. The Routed and Returned instruction and the Hide Not Slide instruction receive the same priority treatment, so the order with the Routed and Returned instruction maintains time priority over the order with the Hide Not Slide instruction, since the order with the Routed and Returned instruction was placed on the EDGX Book first.

The Exchange proposes to delete in its entirety the section entitled “Single Re-Price (Rule 11.6(l)(1)(C))” which starts on page 25 of 257 and pages 117 through 119 of 257 of the filing. The section to be deleted is set forth below.

**Single Re-Price (Rule 11.6(l)(1)(C))**

If the User selects the Single Re-Price instruction, where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed and ranked at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell) and will not be subject to any further

adjustment by the System.<sup>14</sup>

### **Operation of Orders with a Single Re-Price Instruction**

The following examples illustrate the operation of the Single Re-Price instruction:

Example No.1: Limit Order to Buy that is Subject to the Single Re-Price Instruction Executes at Displayed Price

Assume the NBBO is \$10.00 by \$10.10. If a non-routable Limit Order with a Single Re-Price instruction to buy 100 shares at \$10.11 is entered into the System, such order will be ranked and displayed by the System on the EDGX Book at \$10.09 and will not be further adjustments by the System. If a Limit Order to sell 100 at \$10.09 is entered into the System, such order would execute against the Limit Order to buy at \$10.09.

Example No. 2. The Displayed Price of a Limit Order to Buy that is Subject to the Single Re-Price Instruction

Assume the NBBO is \$10.00 by \$10.10. If a non-routable Limit Order with a Single Re-Price instruction to buy 100 shares at \$10.11 is entered into the System, such order will be ranked and displayed by the System on the EDGX Book at \$10.09. If the NBBO moves to \$10.09 by \$10.11, the Limit Order subject to the Single Re-Price instruction will not be further adjusted and will remain ranked and displayed by the System on the EDGX Book at \$10.09.

The Exchange proposes to replace in its entirety the first full paragraph under the heading “Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO” on pages 25 through 26 of 257 and pages 119 through 120 of 257 of the filing with the following:

Proposed Exchange Rule 11.6(1)(2) sets forth the following re-pricing instructions for an order with a Short Sale instruction to comply with Rule 201 of Regulation SHO: (i) Short Sale Price Adjust; and (ii) Short Sale Price Sliding. The Exchange notes that a Limit Order to sell with a Short Sale instruction that cannot be displayed by the System on the EDGX Book or executed at its limit price at the time of entry into the System because a short sale price restriction is in effect pursuant to Rule 201 of Regulation

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<sup>14</sup> The Exchange notes that other exchanges offer similar functionality. See Nasdaq Rule 4751(f)(8) (Price to Comply Post Order), BZX Rule 11.9(g)(1) (Display-Price Sliding), BYX 11.9(g)(1) (Display-Price Sliding), and CHX Rule Art. I, Rule 2(b)(1)(C)(i) (NMS Price Sliding).

SHO (“Short Sale Circuit Breaker”),<sup>15</sup> will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects: (i) the Cancel Back instruction; or (ii) the Short Sale Price Sliding instruction. Like current Rule 11.5(c)(4)(E), orders to sell with both a Short Sale and a Short Exempt instruction are not eligible for any of the re-pricing instructions to comply with Rule 201 of Regulation SHO and will execute, display and/or route without regard to whether the order is at a Permitted Price above the NBB or whether a Short Sale Circuit Breaker is in effect. In addition, when a Short Sale Circuit Breaker is in effect, the re-pricing instructions to comply with Rule 610(d) of Regulation NMS will be ignored with regard to a sell order that contains a Short Sale instruction. In such case, the below re-pricing instructions to comply with Rule 201 of Regulation SHO will apply.

The Exchange proposes to delete in its entirety the section entitled “Short Sale Single Re-Price (Rule 11.6(1)(2)(C))” which starts on page 28 of 257 and pages 122 through 123 of 257 of the filing. The section to be deleted is set forth below.

**Short Sale Single Re-Price (Rule 11.6(1)(2)(C)).**

If the User elects the Short Sale Single Re-Price instruction, the System will cause a Limit Order to sell with a Short Sale instruction that is entered into the System to be ranked and displayed by the System on the EDGX Book at the Permitted Price.<sup>16</sup> Following the initial ranking provided for in this rule, the order will not be adjusted further to reflect a decline in the NBB.

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<sup>15</sup> 17 CFR 242.200(g); 17 CFR 242.201. On February 26, 2010, the Commission adopted amendments to Regulation SHO under the Act in the form of Rule 201, pursuant to which, among other things, short sale orders in covered securities generally cannot be executed or displayed by a trading center, such as EDGX, at a price that is at or below the current NBB when a Short Sale Circuit Breaker is in effect for the covered security. See Securities Exchange Act Release No. 61595 (February 26, 2010), 75 FR 11232 (March 10, 2010). In connection with the adoption of Rule 201, Rule 200(g) of Regulation SHO was also amended to include a “short exempt” marking requirement. See also Securities Exchange Act Release No. 63247 (November 4, 2010), 75 FR 68702 (November 9, 2010) (extending the compliance date for Rules 201 and 200(g) to February 28, 2011). See also Division of Trading & Markets: Responses to Frequently Asked Questions Concerning Rule 201 of Regulation SHO, [www.sec.gov/divisions/marketreg/rule201faq.htm](http://www.sec.gov/divisions/marketreg/rule201faq.htm).

<sup>16</sup> The Exchange notes that other exchanges offer similar functionality. See Nasdaq Rule 4763(e) (Re-Pricing of Orders During Short Sale Period), BZX Rule 11.9(g)(2) (Short Sale Price Sliding), BYX 11.9(g)(2) (Short Sale Price Sliding), and CHX Rule Art. I, Rule 2(b)(1)(C)(ii) (Short Sale Price Sliding).

### **Operation of Orders with a Short Sale Single Re-Price Instruction**

The below example illustrates the Short Sale Single Re-Price instruction.

Assume the NBBO is \$10.00 by \$10.10 and a Short Sale Circuit Breaker is in effect for the security. A User enters an order into the System to sell 200 shares at \$9.95 with a Short Sale instruction and the Short Sale Single Re-Price instruction. Such order will be ranked and displayed by the System on the EDGX Book at \$10.01. If a Limit Order buy 100 at \$10.01 is entered into the System, such order would execute at \$10.01 against the sell order with the Short Sale instruction and Single Re-Price instruction.

In the above example, if the NBBO then moves to \$9.99 by \$10.01, the order to sell with the Short Sale instruction and the Single Re-Price instruction will not re-priced and will remain Displayed at \$10.01.

The Exchange proposes to replace in its entirety the seventh paragraph under the heading “Routing/Posting Instructions (Rule 11.6(n))” on pages 34 through 35 of 257 and pages 133 through 134 of 257 of the filing with the following:

This amended definition would change the rule in the following ways. First, the Exchange believes that the operation of Post Only functionality is indicative of an instruction a User may attach to a Limit Order and not that of a standalone order type. Therefore, the Exchange proposes to delete the word Order from the term, and to define Post Only as an order instruction. The Exchange does not propose to carry over the current description of Post Only functionality that states it is subject to the Exchange’s “display price sliding process and short sale price sliding process” unless the User instructs otherwise. The Exchange believes this language is unnecessary and redundant because the applicable defaults are set forth in the proposed revisions to the Exchange’s re-pricing instructions and order types in proposed Rule 11.6(l). The Exchange also proposes to remove from the definition of Post Only the language that an order with a Post Only instruction will not remove liquidity from the EDGX Book unless “the User enters an instruction to the contrary.” The Exchange proposes to replace this language with a description of the specific circumstances under which an order with a Post Only instruction may remove liquidity from the EDGX Book. Specifically, the Price Adjust instruction and Hide Not Slide instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below \$1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or

rebates provided.<sup>17</sup> To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange.

The Exchange proposes to replace in its entirety the first full paragraph on page 40 of 257 and the last paragraph starting on of page 141 of 257 through page 142 of 257 of the filing with the following:

Proposed Rule 11.8(a)(2) would state that unless otherwise instructed by the User, the System will automatically default a Market Order to a TIF instruction of Day. A User may instead select TIF instructions of IOC or FOK for a Market Order. A Market Order that includes a TIF instruction of FOK will be cancelled if not executed in full immediately after entry into the System. If a Market Order includes a TIF instruction of IOC, any portion of the Market Order not executed after checking the System for available shares, and, if applicable, after return to the System after being routed to an away Trading Center, will be cancelled. A Market Order may not trade through a Protected Quotation.

The Exchange proposes to replace in its entirety the ninth, tenth, and eleventh full paragraphs under the heading, “Limit Orders (Rule 11.8(b))” on pages 43 through 44 of 257 and pages 147 through 148 of 257 of the filing with the following:

First, Eligible Limit Orders are subject to one of the three re-pricing instructions the Exchange offers to comply with Rule 610 of Regulation NMS. A Limit Order that, if displayed at its limit price at the time of entry into the System, would become a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Price Adjust instruction, unless the User affirmatively elects the Cancel Back instruction, or the Hide Not Slide instruction. A Limit Order to buy (sell) with a limit price that would be a Crossing Quotation at the time of entry will not execute at a price that is higher (lower) than the Locking Price.

Second, should a Short Sale Circuit Breaker be in effect, an Eligible Limit Order may also be subject to one of the three re-pricing instructions the Exchange offers to comply with Rule 201 of Regulation SHO. Proposed Rule 11.8(b)(11) would state that a Limit Order that includes a Short Sale instruction and that is not marked Short Exempt and that cannot be executed

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<sup>17</sup> Examples may be found under the following section: Operation of Limit Orders with a Displayed and Post Only Instruction, Example, No. 1, Scenario Nos. 2 and 3; and Example, No. 2, Scenario No. 2.

in the System or displayed by the System on the EDGX Book at its limit price at the time of entry into the System because a Short Sale Circuit Breaker is in effect, will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects the Cancel Back instruction or the Short Sale Price Sliding instruction.

Third, when a Limit Order, or a portion thereof, is returned to the Exchange after being routed away in accordance with Rule 11.11, and, if displayed by the System on the EDGX Book at its limit price it would become a Locking Quotation or Crossing Quotation, such Limit Order will be automatically defaulted by the System to the Routed and Returned Re-Pricing instruction, unless the User affirmatively elects the Cancel Back instruction, the Price Adjust instruction, or the Hide Not Slide instruction.

The Exchange proposes to delete in its entirety the Example No. 3 under the section entitled, "Under Elects the Single Re-Price Instruction" on page 45 of 257 and page 150 of 257 of the filing. The section to be deleted is set forth below.

*User Elects Single Re-Price Instruction*

Scenario No. 3. Assume the facts from the example above and that the User elects the Single Re-Price instruction. The Limit Order is displayed and ranked by the System on the EDGX Book at \$10.01, one Minimum Price Variation below the Locking Price. The Exchange's BBO is now \$10.01 x \$10.03. The Limit Order is not subject to further adjustments in response to changes in the NBBO.

The Exchange proposes to replace in its entirety the example through Scenario No. 1 under the heading, "The Exchange's BBO Joins the NBO" on pages 45 through 46 of 257 and pages 150 through 152 of 257 of the filing with the following:

**The Exchange's BBO Joins NBO**

The following information applies to each of the scenarios listed below.

Example. Assume the NBBO is \$10.01 x \$10.02 and the Exchange's BBO is \$10.01 x \$10.03. The EDGX Book contains the following buy orders, ranked in time order:

Buyer One: \$10.02 Book Only/Price Adjust instruction/displayed and ranked at \$10.01

Buyer Two: \$10.02 Book Only/Price Adjust instruction/displayed and ranked at \$10.01

Buyer Three: \$10.02 Book Only/Hide Not Slide instruction/displayed at \$10.01 and ranked at \$10.015 with discretion to trade to \$10.02

Scenario 1. Assume that Seller One enters a Limit Order with a Post Only and Displayed instruction to sell at \$10.02. Assume that Seller One's order cannot remove liquidity so it does not execute in the System against Buyer Three's buy order because it is assumed that the value of an execution would not equal or exceed the value of an execution if posted at its limit price, including the applicable fees charged or rebates provided under proposed Rule 11.6(n)(4). Rather, it is displayed by the System on the EDGX Book at \$10.02. The Exchange's BBO narrows to \$10.01 x \$10.02. Buyer Three's discretion to execute up to \$10.02 is suspended due to Seller One's displayed order to sell at that price.

The Exchange proposes to replace in its entirety section entitled, "Operation of Limit Orders with Displayed and Post Only Instructions" on pages 46 through 48 of 257 and pages 152 through 154 of 257 of the filing with the following:

#### **Operation of Limit Orders with Displayed and Post Only or Book Only Instructions**

The following information applies to each of the scenarios listed below.

Example No. 1. Assume the NBBO is \$10.01 x \$10.02 and the Exchange's BBO is \$10.01 x \$10.02.

Scenario No. 1. Buyer One enters a Limit Order with a Displayed and Post Only instruction at \$10.02. Under the Exchange's current pricing structure, Buyer One's order will not execute at \$10.02 because an order with a Post Only instruction will not remove liquidity from the EDGX Book at its limit price unless the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. If Buyer One's Limit Order is subject to the Hide Not Slide instruction, it will be displayed by the System on the EDGX Book at \$10.01 and ranked by the System at \$10.015, the midpoint of the NBBO. However, Buyer One's discretion to trade at \$10.02 will be suspended unless and until the displayed contra-side order to sell at \$10.02 is executed or cancelled. If Buyer One's Limit Order is subject to the Price Adjust instruction, it will not execute upon entry for the same reason set forth above and will be displayed and ranked by the System on the EDGX

Book at \$10.01.<sup>18</sup>

Scenario No. 2. Assume the facts from Scenario No. 1 but that there is an order with a Non-Displayed instruction to sell at \$10.015 resting on EDGX Book. Buyer One's Limit Order, if subject to the Hide Not Slide instruction, under the Exchange's current pricing structure will execute against an order with a Non-Displayed instruction to sell at \$10.015 because the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided.<sup>19</sup> In contrast, under the Exchange's current pricing structure if Buyer One's Limit Order is subject to the Price Adjust instruction, it will not execute and will be displayed and ranked by the System on the EDGX Book at \$10.01 because the value of such execution when removing liquidity does not equal or exceed the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided.<sup>20</sup>

Scenario No. 3. Assume the facts from Scenario No. 1 but that Buyer One

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<sup>18</sup> Assuming a rebate of \$0.0030 per share to add liquidity and a fee of \$0.0030 per share to remove liquidity, the cost to purchase a security would be \$10.023 per share if an order is executed upon entry at \$10.02 and pays the fee to remove (\$10.02 + \$0.0030). The cost to purchase a security would instead be \$10.017 if an order is posted to the EDGX Book, later executed at \$10.02, and receives a rebate (\$10.02 - \$0.0030). Accordingly, the orders in this example do not execute upon entry.

<sup>19</sup> Assuming a rebate of \$0.0030 per share to add liquidity and a fee of \$0.0012 per share to remove liquidity for a mid-point eligible order, the cost to purchase a security would be \$10.0162 per share if an order is executed upon entry at \$10.015 and pays the fee to remove (\$10.015 + \$0.0012). The cost to purchase a security would instead be \$10.017 if an order is posted to the book, later executed at \$10.02, and receives a rebate (\$10.02 - \$0.0030). Accordingly, the incoming order with a Hide Not Slide instruction, which is eligible to be ranked at the midpoint of the NBBO, executes upon entry.

<sup>20</sup> Assuming a rebate of \$0.0030 per share to add liquidity and a fee of \$0.0030 per share to remove liquidity for an order that is not a mid-point eligible order, the cost to purchase a security would be \$10.018 per share if an order is executed upon entry at \$10.015 and pays the fee to remove (\$10.015 + \$0.0030). The cost to purchase a security would instead be \$10.017 if an order is posted to the book, later executed at \$10.02, and receives a rebate (\$10.02 - \$0.0030). Accordingly, the incoming order with a Price Adjust instruction, which is not eligible to be ranked at the midpoint of the NBBO, does not execute upon entry.

instead enters a Limit Order with a Displayed and Post Only instruction at \$10.03. Under the Exchange's current pricing structure, if Buyer One's order contains a Hide Not Slide or Price Adjust instruction, it will execute against the displayed contra-side order to sell at \$10.02 resting on the EDGX Book because the value of such execution (buying at \$10.02 per share) when removing liquidity exceeds the value of the execution if the order instead posted to the EDGX Book as an order to buy at \$10.03 and subsequently provided liquidity, including the applicable fees charged or rebates provided.<sup>21</sup>

Example No. 2. For the following scenarios, assume the NBBO upon order entry is \$10.01 x \$10.02. Unless otherwise specified, further assume that all Limit Orders to buy contain a Displayed instruction and either a Post Only instruction or Book Only instruction.

Scenario No. 1. The Exchange BBO is \$9.99 x \$10.03. A Limit Order to buy at \$10.00 is entered into the System. The order is posted by the System to the EDGX Book at \$10.00. The order does not change the NBB; but improves the Exchange BBO to \$10.00 x \$10.03.

Scenario No. 2. The Exchange BBO is \$9.99 x \$10.03. A Limit Order to buy at \$10.02 is entered into the System. If the buy order was displayed by the System on the EDGX Book at its limit price, it would lock the NBO at \$10.02 and, hence, be considered a Locking Quotation. To avoid being a Locking Quotation, the order defaults to the Price Adjust instruction because the User did not select either the Cancel Back or Hide Not Slide instruction. The order is ranked and displayed by the System on the EDGX Book at \$10.01.

Scenario No. 3. The Exchange BBO is \$9.99 x \$10.03. A Limit Order to buy at \$10.02 is entered into the System and the User elects that the order Cancel Back should it become a Locking Quotation or Crossing Quotation. If displayed on the EDGX Book at its limit price, the order would lock the NBO at \$10.02 and, hence, be considered a Locking Quotation. The order is immediately canceled pursuant to the User's instructions.

Scenario No. 4. The Exchange BBO is \$9.99 x \$10.03. A Limit Order to buy at \$10.02 is entered into the System and the User elects the Hide Not

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<sup>21</sup>

Assuming a rebate of \$0.0030 per share to add liquidity and a fee of \$0.0030 per share to remove liquidity, the cost to purchase a security would be \$10.023 per share if an order is executed upon entry at \$10.02 and pays the fee to remove (\$10.02 + \$0.0030). The cost to purchase a security would instead be \$10.027 if an order is posted to the book, later executed at \$10.03, and receives a rebate (\$10.03 - \$0.0030). Accordingly, the orders in this example execute upon entry.

Slide instruction. If displayed on the EDGX Book at its limit price, the order would lock the NBO at \$10.02 and, hence, be considered a Locking Quotation. To avoid being a Locking Quotation, the order is displayed by the System on the EDGX Book at \$10.01, and ranked by the System at \$10.015, with discretion to buy up to \$10.02.

The Exchange proposes to replace in its entirety the example through Scenario No. 1 under the heading, "Other Examples" on pages 48 through 49 of 257 and pages 154 through 155 of 257 of the filing with the following:

### **Other Examples**

The following information applies to each of the scenarios listed below.

Example. Assume the NBBO is \$10.00 x \$10.01 and the Exchange's BBO is \$10.00 x \$10.02.

The following buy orders are resting on the EDGX Book ranked in order of time of arrival:

Buyer One: \$10.01 x 100 Book Only/Price Adjust instruction/displayed and ranked by the System on the EDGX Book at \$10.00.

Buyer Two: \$10.00 x 100 Book Only Price Adjust instruction/displayed and ranked by the System on the EDGX Book at \$10.00.

Buyer Three: \$10.01 x 100 Book Only/Hide Not Slide instruction/displayed by the System on the EDGX Book at \$10.00 and ranked by the System at \$10.005 with discretion to trade to \$10.01

Scenario No. 1. Seller One enters into the System a Limit Order to sell 100 shares with a Post Only instruction at \$10.01. Seller One's order will be posted by the System to the EDGX Book at \$10.01, updating the Exchange's BBO to \$10.00 x \$10.01. Buyer Three's discretion to execute up to \$10.01 is suspended because a contra-side order to sell 100 shares at \$10.01 is now displayed by the System on the EDGX Book. Seller Two enters a Limit Order to sell 100 shares at \$10.01. Seller Two's order may not execute in the System against Buyer Three's order because Buyer Three's discretion to execute at \$10.01 is suspended because a contra-side order to sell 100 shares at \$10.01 is displayed by the System on the EDGX Book. Accordingly, Seller Two's order will be posted by the System to the EDGX Book at \$10.01 and ranked by the System behind Seller One. Seller One cancels its order. Seller Two's order is now the Exchange's best offer at \$10.01. Seller Two's order would remain on the EDGX Book and not execute against Buyer Three's order - Buyer Three's discretion to execute

up to \$10.01 continues to be suspended because a contra-side order to sell 100 shares at \$10.01 is displayed by the System on the EDGX Book.

The Exchange proposes to replace in their entirety the last three full paragraphs under the heading, “ISO (Rule 11.8(c))” on pages 51 through 52 of 257 and pages 159 through 161 of 257 of the filing with the following:

Proposed Rule 11.8(c)(4) provides that incoming ISOs may be submitted during the Pre-Opening Session, Regular Session and the Post-Closing Session. Proposed Rule 11.8(c)(1)-(4) would also state that an incoming ISO will have a default TIF instruction of Day, unless the User selects a TIF instruction of GTT or IOC. Incoming ISOs cannot include a TIF instruction of FOK. An ISO with a Post Only and TIF instruction of GTT or Day will be rejected without execution if, when entered, it is immediately marketable against an order with a Displayed instruction resting on the EDGX Book, unless the User included on the ISO a Price Adjust or Hide Not Slide instruction. The rule would also state that a User entering an ISO with TIF instruction of Day represents that such User has simultaneously routed one or more additional limit orders marked ISO, if necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security with a price that is superior or equal to the limit price of the ISO entered in the System.<sup>22</sup> Any unfilled portion of an ISO with a TIF instruction of GTT or Day will be posted by the System to the EDGX Book at the ISO’s limit price.

Similar to proposed Rule 11.8(b) on Limit Orders, proposed Rule 11.8(c) would also describe the various re-pricing instructions a User may attach to an ISO to comply with Rule 610 of Regulation NMS or Rule 201 of Regulation SHO where the ISO includes a Post Only and TIF instruction of GTT or Day. An ISO with a TIF instruction of GTT or Day as well as a Short Sale instruction that cannot be executed or displayed by the System at its limit price at the time of entry into the System because of the existence

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<sup>22</sup> The operation of an ISO with a TIF instruction of Day is similar to the Post ISO order on the National Stock Exchange, Inc. (“NSX”), but for the NSX stating that it will reject a Post ISO if it is immediately marketable against a displayed order on the NSX Book, while the Exchange retains such orders where they include a Price Adjust or Hide Not Slide instruction. See NSX Rule 11.11(c)(8)(ii). The ISO exception under Exchange Rule 11.10(f) requires that ISOs be routed to execute against all protected quotations with a price that is *better than or equal* the display price, rather than solely to protected quotations for a security with a price that is superior to the ISO’s limit price. See Question 5.02 in the Division of Trading and Markets, Responses to Frequently Asked Questions Concerning Rule 611 and Rule 610 of Regulation NMS (last updated April 4, 2008) available at <http://www.sec.gov/divisions/marketreg/nmsfaq610-11.htm>.

of a Short Sale Circuit Breaker, will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects the Cancel Back instruction or the Short Sale Price Sliding instruction.

Inbound ISOs are not eligible for routing pursuant to Rule 11.9(b) (proposed to be renumbered as Rule 11.11). However, proposed Rule 11.8(c) would permit a User to attach an instruction to an ISO that would allow the ISO to bypass the System and be immediately routed by the Exchange as an outbound ISO to an away Trading Center specified by the User for execution. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs. The Exchange notes that this functionality is currently provided for under Exchange Rule 11.5(d)(2) as a "Directed Intermarket Sweep Order" ("Directed ISO"). The Exchange proposes to no longer classify a Directed ISO as a standalone order type because it believes the functionality of a Directed ISO is more indicative of an instruction a User may attach to an ISO directing the System to route the order to a specified Trading Center, rather than a standalone order type.

The Exchange proposes to replace in its entirety the second full paragraph under the heading, "Route Peg Order (Rule 11.8(f))" on page 56 of 257 and pages 167 through 168 of 257 of the filing with the following:

Proposed Rule 11.8(f) would delineate various aspects of the Route Peg Order. Rule 11.8(f) would make clear that a Route Peg Order may only have a TIF instruction of GTT or Day. Route Peg Orders are not eligible to include a TIF instruction of IOC or FOK. Route Peg Orders may be entered as Round Lots, or Mixed Lots. Route Peg Orders are defaulted by the System to a Non-Displayed instruction. Route Peg Orders are not eligible to include a Displayed instruction. A User may specify a Minimum Execution Quantity instruction for a Route Peg Order. Route Peg Orders may be entered, cancelled, and cancelled/replaced prior to and during the Regular Session. Route Peg Orders are only eligible for execution in a given security during the Regular Session, except that, even after the commencement of the Regular Session, Route Peg Orders are not eligible for execution: (i) in the Opening Session; and (ii) until such time that orders in that security during the Regular Session can be posted by the System to the EDGX Book. Any and all remaining, unexecuted Route Peg Orders are cancelled at the conclusion of the Regular Session. Route Peg Orders are not eligible for routing pursuant to Rule 11.9(b)(2) (proposed to be renumbered as Rule 11.11). A Route Peg Order is not eligible for execution when a Locking Quotation or Crossing Quotation exists. In such case, a Route Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing

Quotation no longer exists.

The Exchange proposes to replace in its entirety the example through Scenario No. 1 under the heading, "Orders Re-Ranked upon Clearance of a Locking Quotation" on pages 59 through 60 of 257 and pages 172 through 174 of 257 of the filing with the following:

### **Orders Re-Ranked upon Clearance of a Locking Quotation**

#### **Operation of Priority for Orders Re-Ranked upon Clearance of a Locking Quotation**

Example. Assume the NBBO is 10.01 x 10.02 and the Exchange BBO is 10.01 x 10.03. The EDGX Book contains the following buy orders, ranked in time order:

Buyer One: \$10.05 x 100 shares Primary Pegged instruction/displayed and ranked at \$10.01

Buyer Two: \$10.02 x 100 shares Book Only/Price Adjust instruction/displayed and ranked at \$10.01

Buyer Three: \$10.01 x 100 shares Book Only/Price Adjust instruction/displayed and ranked at \$10.01

Buyer Four: \$10.02 x 100 shares Book Only/Hide Not Slide instruction/displayed at \$10.01 and ranked at \$10.015 with discretion to \$10.02

Buyer Five: \$10.03 x 100 shares MidPoint Match/non-displayed at \$10.015, the midpoint of the NBBO

Scenario No. 1. Assume the NBO of \$10.02 on an away Trading Center is executed or cancelled. As a result, the Exchange is at the NBBO of \$10.01 x \$10.03.

Upon clearance of the Locking Quotation, Buyer Four's order is displayed by the System on the EDGX Book at \$10.02 and receives a new time stamp. The Exchange established the new NBBO of \$10.02 x \$10.03. Buyer Two's order is displayed by the System on the EDGX Book at \$10.02 and given a new time stamp behind Buyer Four's order. Buyer One's order is displayed by the System on the EDGX Book at \$10.02 and given a new time stamp behind Buyers Four and Two. Buyer Five's order remains non-displayed by the System on the EDGX Book and is ranked at \$10.025, the new midpoint of the NBBO, and is provided a new time stamp. Buyer Three's

order remains displayed by the System on the EDGX Book at \$10.01.

Seller One enters into the System a Limit Order to sell 500 shares at \$10.01. Seller One's order is executed as follows: 100 shares against Buyer Five's order at \$10.025; 100 shares against Buyer Four's order at \$10.02; 100 shares against Buyer Two's order at \$10.02; 100 shares against Buyer One's order at \$10.02; and 100 shares against Buyer Three's order at \$10.01.

The Exchange proposes to replace in their entirety the first three full paragraphs under the heading, "Re-Pricing" on pages 70 through 72 of 257 and pages 189 through 192 of 257 of the filing with the following:

The Exchange believes that the proposed clarification of its re-pricing instructions are consistent with Section 6(b)(5) of the Act,<sup>23</sup> as well as Rule 610 of Regulation NMS<sup>24</sup> and Rule 201 of Regulation SHO.<sup>25</sup> The Exchange is not modifying the overall existing functionality of its re-pricing instructions, which, to avoid becoming a Locking Quotation or Crossing Quotation or to comply with Rule 201 of Regulation SHO, displays orders at permissible prices while in some cases retaining a different non-displayed, ranked price at which the User is willing to buy or sell. Instead, the Exchange proposes to describe the re-pricing instructions currently available to Users by introducing and defining three new instructions in proposed Rule 11.6(l) with regard to Regulation NMS compliance – Price Adjust, Hide Not Slide,<sup>26</sup> and Routed and Returned Re-Pricing, and two new instructions with regard to Regulation SHO compliance – Short Sale Price Adjust and Short Sale Price Sliding.<sup>27</sup> The Exchange also proposes to describe in its rules the re-pricing instruction for orders with a Non-Displayed instruction. The Exchange believes these further clarifications of its re-pricing instructions will provide increased transparency to Members, Users, and the investing public regarding how orders with a re-

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<sup>23</sup> Id.

<sup>24</sup> 17 CFR 242.610.

<sup>25</sup> 17 CFR 242.201.

<sup>26</sup> The Exchange notes that other exchanges offer similar functionality. See Nasdaq Rule 4751(f)(7) (Price to Comply Order), BZX Rule 11.9(g)(1) (Display-Price Sliding), BYX 11.9(g)(1) (Display-Price Sliding), and CHX Rule Art. I, Rule 2(b)(1)(C)(i) (NMS Price Sliding).

<sup>27</sup> Other exchanges utilize similar re-pricing processes. See e.g., CHX Art. I, Rule 2(b)(1)(C), BZX Rules 11.9(c)(4), (6) and 11.9(g)(2), BYX Rules 11.9(c)(4), (6) and 11.9(g)(2), and Nasdaq's "Re-pricing of Orders during Short Sale Period" described in Nasdaq Rule 4763(e).

pricing instruction are to be handled and displayed by the System.

Rule 610(d) of Regulation NMS requires exchanges to establish, maintain, and enforce rules that require members reasonably to avoid “[d]isplaying quotations that lock or cross any protected quotation in an NMS stock.”<sup>28</sup> Such rules must be “reasonably designed to assure the reconciliation of locked or crossed quotations in an NMS stock,” and must “prohibit ... members from engaging in a pattern or practice of displaying quotations that lock or cross any quotation in an NMS stock.”<sup>29</sup> Similarly, Rule 201 of Regulation SHO<sup>30</sup> requires trading centers to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order at a price at or below the current NBB under certain circumstances. Thus, the re-pricing instructions offered by the Exchange are designed to comply with Rule 610(d) and Rule 201 by assisting Users in displaying and executing orders at permissible prices. In addition, as described in further detail below, the Exchange notes that other exchanges offer similar functionality.<sup>31</sup>

The Exchange notes that an order that, if displayed at its limit price, would be a Locking Quotation or Crossing Quotation, would be automatically defaulted by the System to the Price Adjust instruction, unless the User affirmatively elects an alternative instruction: (i) the Cancel Back instruction; or (ii) the Hide Not Slide instruction. Users who do not prefer the defaulted re-pricing instruction are free to select another re-pricing instruction or to select the Cancel Back instruction. The Exchange believes it is reasonable to default orders to the Price Adjust instruction because such instruction most closely aligns with the purpose of an order sent to the Exchange with a re-pricing instruction generally. The use of a re-pricing instruction indicates the User’s intent to forgo an execution in order to post to the Exchange’s order book and to receive a rebate upon execution rather than paying a fee to remove liquidity on the Exchange or routing to an away Trading Center. Orders utilizing the Price Adjust instruction would be posted to the EDGX Book and receive a rebate when executed because they

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<sup>28</sup> 17 CFR 242.610(d).

<sup>29</sup> Id.

<sup>30</sup> 17 CFR 242.201.

<sup>31</sup> See Nasdaq Rule 4751(f)(7) (Price to Comply Order), BZX Rule 11.9(g)(1) (Display-Price Sliding), BYX 11.9(g)(1) (Display-Price Sliding), and CHX Rule Art. I, Rule 2(b)(1)(C)(i) (NMS Price Sliding). See also CHX Art. I, Rule 2(b)(1)(C), BZX Rules 11.9(c)(4), (6) and 11.9(g)(2), BYX Rules 11.9(c)(4), (6) and 11.9(g)(2), and Nasdaq’s “Re-pricing of Orders during Short Sale Period” described in Nasdaq Rule 4763(e).

act as liquidity providers. While an order utilizing the Hide Not Slide instruction would receive a rebate when executed at its displayed price or at the Locking Price, it may also pay a fee if executed at the midpoint of the NBBO. In addition to paying a fee rather than receiving a rebate, an execution at the midpoint of the NBBO is a worse price (i.e., higher for a buy order or lower for a sell order), than an execution at a price that has been re-priced pursuant to the Price Adjust instruction. Therefore, the Exchange believes defaulting to the Price Adjust instruction is designed to promote just and equitable principles of trade because it is designed to assist market participants in better controlling their execution costs and is the re-pricing instruction most closely aligned with the general intent re-pricing instructions generally.

The Exchange proposes to replace in its entirety the last full paragraph on page 73 through page 74 of 257 and page 195 of 257 of the filing with the following:

Likewise, the Exchange also believes it is reasonable to default Short Sale Orders to the Short Sale Price Adjust instruction because it would enable Short Sale Orders to be continuously re-ranked and displayed up to their limit price in response to declines in the NBB. An order subject to the Short Sale Price Adjust instruction would be re-ranked and displayed at the Permitted Price, which is one Minimum Price Variation above the current NBB. Following the initial re-ranking, the order will, to the extent the NBB declines, continue to be re-ranked and displayed at the Permitted Price down to the order's limit price. Orders subject to the Short Sale Price Sliding instruction are only re-ranked once following the initial ranking. Therefore, the Exchange believes automatically defaulting Short Sale Orders to the Short Sale Price Adjust instruction promotes just and equitable principles of trade because it would enable the order to be displayed and re-displayed up to its limit price by being continuously re-priced in response to declines in the NBB. The Exchange notes that Users who do not prefer the defaulted re-pricing instruction are free to select another re-pricing instruction or to select the Cancel Back instruction.

The Exchange proposes to delete in its entirety the following paragraph on pages 74 through 75 of 257, page 82 of 257, and page 197 of 257 of the filing:

The Single Re-price instruction under proposed Rule 11.6(l)(1)(C) is similar to Nasdaq's Price to Comply Post Only under Nasdaq Rule 4751(f)(8). Like an order subject to the Exchange's Single Re-Price instruction, a Price to Comply Post Only Order that, "at the time of entry, would create a violation of Rule 610(d) of Regulation NMS under the Act by locking or crossing the protected quotation of an external market or would cause a violation of Rule 611 of Regulation NMS under the Act, the order will also be re-priced and displayed by the System to one minimum price increment (i.e., \$0.01 or

\$0.0001) below the current NBO (for bids) or to one penny above the current NBB (for offers).”

Lastly, the Exchange proposes to delete in its entirety the following paragraph on page 79 of 257, page 83 of 257, and page 205 of 257 of the filing:

The operation of an ISO with a TIF instruction of Day is similar to the Post ISO order on the NSX under NSX Rule 11.11(c)(8)(ii), but for the NSX stating that it will reject a Post ISO if it is immediately marketable against a displayed order on the NSX Book, while the Exchange retains such orders where they include a Price Adjust or Hide Not Slide instruction.

### Statutory Basis

The Exchange believes that its proposal, as amended, remains consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>32</sup> In particular, the proposal remains consistent with Section 6(b)(5) of the Act,<sup>33</sup> because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. The proposed rule change continues to be designed to support the principles of Section 11A(a)(1)<sup>34</sup> of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule changes proposed by this partial Amendment No. 1 are consistent with the protection of investors and the public interest because the amendment removes the Single Re-Price instruction and the Short Sale Single Re-Price instruction, as well as makes a series of non-substantive, corrective changes to the proposed rule change. The Single Re-Price instruction under proposed Rule 11.8(1)(1)(C) and Short Sale Single Re-Price instruction under proposed Rule 1(2)(C) are non-substantive as they propose functionality is severable from, and not an integral part of, the proposed rule change. In addition, removing the Single Re-Price instruction and Short Sale Single Re-Price instruction will help simplify the proposed rule change and streamline System functionality, thereby benefitting Members, Users, and the investing by making the Exchange’s rules and functionality easier to understand.

### Request for Accelerated Approval of this Partial Amendment No. 1.

The Exchange believes that good cause for accelerated effectiveness of this partial Amendment No. 1 to the proposed rule change exists in light of the fact that the Commission previously published a notice in the Federal Register in relation to the Initial

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<sup>32</sup> 15 U.S.C. 78f(b).

<sup>33</sup> 15 U.S.C. 78f(b)(5).

<sup>34</sup> 15 U.S. C. 78k-1(a)(1).

Rule Filing, the comment period in relation to that notice has concluded, and the modifications to the proposed rule changes proposed by this Amendment No. 1 are consistent with the protection of investors and the public interest because the amendment removes the Single Re-Price instruction and makes a series of non-substantive, corrective changes to the proposed rule change. As stated above, the Single Re-Price instruction under proposed Rule 11.8(1)(1)(C) and Short Sale Single Re-Price instruction under proposed Rule (1)(2)(C) are non-substantive as they propose functionality is severable from, and not an integral part of, the proposed rule change. In addition, removing the Single Re-Price instruction and Short Sale Single Re-Price instruction will help simplify the proposed rule change and streamline System functionality, thereby benefitting Members, Users, and the investing by making the Exchange's rules and functionality easier to understand. Therefore, the Exchange respectfully requests acceleration of the effectiveness of the proposed rule change. The Exchange respectfully requests that the Commission find good cause to accelerate approval.

**Exhibit 4**

Proposed new language is underlined; proposed deletions are marked by [brackets].

Rules of EDGX Exchange, Inc.

**CHAPTER I. ADOPTION, INTERPRETATION AND APPLICATION OF RULES,  
AND DEFINITIONS**

Rules 1.1 – 1.4. (No changes)

Rule 1.5. Definitions

Unless the context otherwise requires, for all purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the Exchange's By-Laws or as set forth below:

(a) – (cc) (No change).

(dd) Top of Book

The term "Top of Book" shall mean the best-ranked order to buy (or sell) in the EDGX Book as ranked pursuant to Rule 11.9.

(ee) – (gg) (No change).

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**CHAPTER VIII. DISCIPLINE**

Rule 8.15. Imposition of Fines for Minor Violation(s) of Rules

(a) – (e) (No change).

Interpretations and Policies

.01 List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to Rule 8.15:

Recommended Fine Schedule – 8.15.01(a)-(f)

Occurrence*	Individual	Member firm
First time fined	\$100	\$500
Second time fined	\$300	\$1,000

Third time fined      \$500              \$2,500

\*Within a “rolling” 12-month period.

(a) Rule 4.2 and Interpretations, thereunder, requiring the submission of responses to Exchange requests for trading data within specified time period.

(b) Rule 11.10(a)(5) requirement to identify short sale orders as such.

(c) Rule 11.10(f) requirement to comply with locked and crossed market rules.

(d) Rule 2.5. Interpretation .04: Firm Element of Continuing Education Requirement.

(e) Rule 3.5 Advertising Practices

(f) Rule 12.11 Interpretation .01 and Exchange Act Rule 604 – Failure to properly display limit orders

Recommended Fine Amount for 8.15.01(g)-(h): \$100 per violation

(g) Rule 4.2 and Interpretations thereunder related to the requirement to furnish Exchange-related order, market and transaction data, as well as financial or regulatory records and information.

(h) Rule 11.20(a)(1) requirement for Market Makers to maintain continuous, two-sided quotations.

\* \* \* \* \*

## CHAPTER XI. TRADING RULES

### Rule 11.1. Hours of Trading and Trading Days

(a) Orders may be entered on the Exchange, executed on the Exchange or routed away from the Exchange during Regular Trading Hours, the Pre-Opening Session, the Regular Session, and the Post-Closing Session.

(1) Session Indicator. All orders are eligible for execution during the Regular Session. If an order is not designated as eligible for a particular session or sessions, it will default to the Regular Session as defined under paragraph (B) below. Orders may be entered into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered

between 6:00 a.m. and 8:00 a.m. Eastern Time are not eligible for execution until the start of the session selected by the User.

(A) Pre-Opening Session. Orders designated as Pre-Opening Session are eligible for execution between 8:00 a.m. Eastern Time and 4:00 p.m. Eastern Time.

(B) Regular Session. Orders designated as Regular Session are eligible for execution between the completion of the Opening Process or a Contingent Open as defined in Rule 11.7, whichever occurs first, and 4:00 p.m. Eastern Time.

(C) Post-Closing Session. Orders designated as Post-Closing Session are eligible for execution between the start of the Regular Session and 8:00 p.m. Eastern Time.

(D) All Sessions. Orders designated as All Sessions are eligible for execution between 8:00 a.m. and 8:00 p.m. Eastern Time.

(b) – (c) (No change).

Rules 11.2 – 11.4 (No change).

#### 11.5. Input of Accurate Information

Members of the Exchange shall input accurate information into the System, including, but not limited to, whether the Member is acting in a principal, agent, or riskless principal capacity for each order it enters. If such capacity is not inputted by the Member for each order it enters, the Member's order will be rejected back by the Exchange.

#### Rule 11.6. Definitions

For purposes of this Chapter XI, the following definitions shall apply:

(a) **Attributable.** An instruction to designate an order for display (price and size) on the EDGX Book Feed that includes the Member's market participant identifier ("MPID").

(1) **Non-Attributable.** Unless the User elects otherwise, all orders will be automatically defaulted by the System to Non-Attributable, and displayed (price and size) on the EDGX Book Feed on an anonymous basis by the System.

(2) A User may elect an order be Attributable on an order-by-order basis or instruct the Exchange to default all its orders as Attributable on a port-by-port basis. However, if a Member instructs the Exchange to default all its

orders as Attributable on a particular port, it will not be able to designate any order from that port as Non-Attributable.

- (b) **Cancel Back.** An instruction the User may attach to an order instructing the System to immediately cancel the order when, if displayed by the System on the EDGX Book at the time of entry, or upon return to the System after being routed away, would create a violation of Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO, or the order cannot otherwise be executed upon entry or posted by the System to the EDGX Book at its limit price.
- (c) **Crossing Quotation.** The display of a bid (offer) for an NMS stock at a price that is higher (lower) than the price of an offer (bid) for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.
- (d) **Discretionary Range.** An instruction the User may attach to an order to buy (sell) a stated amount of a security at a specified, displayed price with discretion to execute up (down) to a specified, non-displayed price. The Discretionary Range of an order to buy (sell) cannot be more than \$0.99 higher (lower) than the order's displayed price. An order with a Discretionary Range instruction resting on the EDGX Book will execute at its least aggressive price when matched for execution against an incoming order that also contains Discretionary Range instruction, as permitted by the terms of both the incoming and resting order.
- (e) **Display Options**
- (1) **Displayed.** An instruction the User may attach to an order stating that the order is to be displayed by the System on the EDGX Book. Unless the User elects otherwise, all orders eligible to be displayed on the EDGX Book will be automatically defaulted by the System to Displayed.
- (2) **Non-Displayed.** An instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGX Book.
- (f) **Locking Price.** The price at which an order to buy (sell), that if displayed by the System on the EDGX Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.
- (g) **Locking Quotation.** The display of a bid for an NMS stock at a price that equals the price of an 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 at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.

(h) **Minimum Execution Quantity.** An instruction a User may attach to an order with a Non-Displayed instruction requiring the System to execute the order only to the extent that a minimum quantity can be satisfied by execution against a single order or multiple aggregated orders simultaneously. An order with a Minimum Execution Quantity instruction may be partially executed so long as the execution size is equal to or exceeds the quantity provided in the instruction. Unless the User elects otherwise, any shares remaining after a partial execution will continue to be executed at a size that is equal to or exceeds the quantity provided in the instruction. The Minimum Execution Quantity would no longer apply to an order where the number of shares remaining after a partial execution are less than the quantity provided in the instruction.

(i) **Minimum Price Variation.** Bids, offers, or orders in securities traded on the Exchange shall not be made in an increment smaller than: (i) \$0.01 if those bids, offers, or orders are priced equal to or greater than \$1.00 per share; or (ii) \$0.0001 if those bids, offers, or orders are priced less than \$1.00 per share; or (iii) any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of SEC Rule 612(a) or 612(b) of Regulation NMS.

(j) **Pegged.** An instruction to automatically re-price an order in response to changes in the NBBO. For purposes of the Pegged instruction, the System's calculation of the NBBO does not take into account any orders with Pegged instructions that are resting on the EDGX Book. A User selecting a Pegged instruction can specify that the order's price will peg to the NBB or NBO or a certain amount away from the NBB or NBO (offset). An order with a Pegged instruction will be cancelled if an NBB or NBO is no longer available. Orders with a Pegged instruction are not eligible for routing pursuant to Rule 11.11. A new time stamp is created for the order each time it is automatically re-priced.

(1) **Market Peg.** An order with instructions to peg to the NBB, for a sell order, or the NBO, for a buy order. An order that is to be displayed on the EDGX Book must select an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. If a User does not select an offset, the System will automatically include an offset on an order to buy (sell) that is equal to one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. For an order with a Pegged instruction and Non-Displayed instruction, a User may, but is not required to, select an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to.

(2) **Primary Peg.** An order with instructions to peg to the NBB, for a buy order, or the NBO, for a sell order. A User may, but is not required to, select an offset equal to or greater than one Minimum Price Variation above or below the NBB or NBO that the order is pegged to. An order with a Primary Peg instruction will be eligible to join the Exchange NBBO when the EDGX Book is locked or crossed by another market. If an order with a Primary Peg instruction would create a Locking Quotation or Crossing

Quotation, the price of the order will be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers).

(3) An order with a Pegged and Non-Displayed instruction that includes an offset which will cause the order to be priced more aggressive than the midpoint of the NBBO will be ranked at the midpoint of the NBBO pursuant to the re-pricing instruction under Rule 11.6(l)(3) with discretion to execute to the price established by the offset, or the NBB (NBO) where the offset for an order to sell (buy) is equal to or exceeds the NBB (NBO).

(k) Permitted Price. The price at which a sell order will be priced, ranked and displayed at one Minimum Price Variation above the NBB.

(l) Re-Pricing.

(1) Re-Pricing Instructions to Comply with Rule 610(d) of Regulation NMS

(A) Price Adjust. An order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed and ranked at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell). The order will be displayed and ranked at the Locking Price if: the NBBO changes such that the order, if displayed at the Locking Price would not be a Locking Quotation or Crossing Quotation, including when an Intermarket Sweep Order ("ISO") with a time-in-force ("TIF") instruction of Day is entered into the System and displayed on the EDGX Book on the same side of the market as the order at a price that is equal to or more aggressive than the Locking Price. The order would not be subject to further re-ranking and will be displayed on the EDGX Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp at the time it is re-ranked. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed pursuant to the Price Adjust instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(B) Hide Not Slide. An order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell), will be ranked at the mid-point of the NBBO with discretion to execute at the Locking Price; provided, however, that if a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book, the order will be ranked at the mid-point of the NBBO but its discretion to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGX Book that equals the Locking Price. Where the

NBBO changes such that the order, if displayed by the System on the EDGX Book at the Locking Price, would not be a Locking Quotation or Crossing Quotation, the System will rank and display such orders at the Locking Price. The order will not be subject to further re-ranking and will be displayed on the EDGX Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp when it is ranked at the Locking Price. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Hide Not Slide instruction and the Routed and Returned Re-Pricing instruction, described below, will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(i) Routed and Returned Re-Pricing. An instruction requiring that where a Limit Order that is returned to the EDGX Book after being routed to an away Trading Center would be displayed by the System on the EDGX Book at a price that would be a Locking Quotation or Crossing Quotation will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell), will be ranked at the mid-point of the NBBO with discretion to execute at the Locking Price; provided, however, that if a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book, the order will be ranked at the mid-point of the NBBO but its discretion to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGX Book that equals the Locking Price. Each time the NBBO is updated, a buy (sell) order subject to Routed and Returned Re-Pricing instruction will be further adjusted so that it continues to be displayed by the System on the EDGX Book at one Minimum Price Variation below (above) the NBO (NBB) and will be ranked at the updated midpoint of the NBBO with discretion to execute at the Locking Price until the price of such order reaches its limit price, at which point it will remain on the EDGX Book at that price and cease to be further adjusted by Routed and Returned Re-Pricing instruction. The order will receive a new time stamp when it is returned to the EDGX Book and each time it is subsequently re-ranked. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed pursuant to the Routed and Returned Re-Pricing instruction and Hide Not Slide instruction will retain their priority as compared to each other at the same price based upon the time such orders were initially received by the System or upon return to the System after being routed away.

[(C) Single Re-Price. An order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed and ranked at a price that is one Minimum Price Variation lower (higher) than the

Locking Price for orders to buy (sell) and will not be subject to any further adjustment by the System.]

(2) Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO.

The below Re-Pricing instructions are only available for an order to sell with a Short Sale instruction that cannot be displayed by the System on the EDGX Book or executed at its limit price at the time of entry into the System because a short sale price restriction is in effect pursuant to Rule 201 of Regulation SHO (“Short Sale Circuit Breaker”). The re-pricing instructions to comply with Rule 610(d) of Regulation NMS described above will be ignored for an order to sell with a Short Sale instruction when a Short Sale Circuit Breaker is in effect and the below re-pricing instructions to comply with Rule 201 of Regulation SHO will apply. Orders to sell with a Short Sale instruction that also include a Short Exempt instruction shall not be subject to the re-pricing options to comply with Rule 201 of Regulation SHO.

(A) Short Sale Price Adjust. The System will cause an order to sell with a Short Sale instruction to be ranked and displayed by the System on the EDGX Book at the Permitted Price. Following the initial ranking provided for in this subparagraph, the order to sell with a Short Sale instruction will, to the extent the NBB declines, continue to be re-ranked and displayed by the System on the EDGX Book at the Permitted Price down to the order’s limit price. The order to sell with a Short Sale instruction will receive a new time stamp each time it is re-ranked. All orders that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Short Sale Price Adjust instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(B) Short Sale Price Sliding. The System will cause an order with a Short Sale instruction to be displayed by the System on the EDGX Book at the Permitted Price and ranked at the mid-point of the NBBO. Following the initial ranking provided for in this subparagraph, the order will, to the extent the NBB declines, be re-ranked and displayed by the System on the EDGX Book one additional time at a price that is above the new NBB but equal to the NBB at the time the order was received by the System and receive a new time stamp. All orders to sell with Short Sale instructions that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Short Sale Price Sliding instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

[(C) Short Sale Single Re-Price. The System will cause an order with a Short Sale instruction to be ranked and displayed by the System on the EDGX Book at the Permitted Price. Following the initial ranking provided for in this

subparagraph, the order will not be adjusted further to reflect a decline in the NBB.]

(3) Re-Pricing of Non-Displayed Orders Priced Better than the Mid-Point of the NBBO

An order with a Non-Displayed instruction and that is priced better than the midpoint of the NBBO will be ranked at the midpoint of the NBBO with discretion to execute to its limit price. A User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back when the order's limit price is greater (less) than the NBO (NBB). The price of the order is automatically re-ranked by the System in response to changes in the NBBO until it reaches its limit price. A new time stamp is created for the order each time the midpoint of the NBBO changes. Pursuant to Rule 11.9, all orders with a Non-Displayed instruction that are re-ranked to the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were ranked at the midpoint of the NBBO.

(m) Reserve Quantity. The portion of an order that includes a Non-Displayed instruction in which a portion of that order is also displayed on the EDGX Book. Both the portion of the order with a Displayed instruction and the Reserve Quantity are available for execution against incoming orders.

(1) Replenishment Amounts. If the portion of the order with a Displayed instruction is reduced to less than a Round Lot, the System will, in accordance with the User's instruction, replenish the displayed quantity from the Reserve Quantity by at least a single Round-Lot using one of the below replenishment instructions. A new time stamp is created for the displayed quantity of the order each time it is replenished from the Reserve Quantity, while the Reserve Quantity retains the time stamp of its original entry. Where the combined amount of the displayed quantity and Reserve Quantity of an order are reduced to less than one Round Lot, the order convert to an order with a Displayed instruction and be treated as Displayed for purposes of execution priority under Rule 11.9.

(A) Random Replenishment. An instruction a User may attach to the Reserve Quantity of an order where both the actual quantity of the order that will be initially displayed by the System on the EDGX Book and subsequent displayed replenishment quantities are randomly determined by the System within a replenishment range established by the User. In particular, the User entering an Order into the System subject to the Random Replenishment instruction must select a quantity around which the replenishment range is established and a replenishment value. The actual quantity that will be initially displayed, as well as subsequent displayed replenishment quantities, will then be determined by the System randomly selecting a number of shares in Round Lots within a replenishment range that is between: (i) the quantity around which the

replenishment range is established minus the replenishment value; and (ii) the quantity around which the replenishment range is established plus the replenishment value. In no case can the displayed replenishment quantity exceed the remaining Reserve Quantity of the order. The displayed replenishment quantity may not be less than a single Round Lot or greater than the remaining unexecuted shares in the order.

(B) Fixed Replenishment. An instruction a User may attach to the Reserve Quantity of an order where the displayed quantity of an order is replenished for a Fixed Replenishment quantity as designated by the User. The Fixed Replenishment quantity for the order equals the initial displayed quantity designated by the User. The displayed replenishment quantity may not be less than a single Round Lot or greater than the remaining unexecuted shares in the order.

(n) Routing/Posting Instructions

(1) Aggressive. An order instruction that directs the System to route the order if an away Trading Center crosses the limit price of the order resting on the EDGX Book.

(2) Super Aggressive. An order instruction that directs the System to route the order if an away Trading Center locks or crosses the limit price of the order resting on the EDGX Book.

(3) Book Only. An order instruction stating that an order will be matched against an order on the EDGX Book or posted to the EDGX Book, but will not route to an away Trading Center.

(4) Post Only. An instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book, except as described below. An order with a Post Only instruction and a Hide Not Slide or Price Adjust instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below \$1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange.

(5) Destination Specified. A User may instruct the System to route the order to a specified away Trading Center or centers, after exposing the order to the EDGX

Book. Such orders that are not executed in full after routing away are processed by the Exchange as described in Rule 11.10(a)(4), unless the User has provided instructions that the order reside on the book of the relevant away Trading Center.

(6) Destination-on-Open. A User may instruct the System to route the order to a specified away Trading Center to participate in said Trading Center's opening process, without being processed by the System as described below in Rule 11.10(a)(4), and which after participating in such opening process will be returned to the EDGX Book for cancellation, execution, display, or routing pursuant to Rule 11.11 to the extent unfiled.

(o) Short Sale. An instruction on an order which shall have the same meaning as defined in Rule 200(a) of Regulation SHO.

(p) Short Exempt. An instruction on an order with a Short Sale instruction that satisfies the requirements set forth in Rule 201 of Regulation SHO.

(q) Time-in-Force ("TIF").

(1) Immediate-or-Cancel ("IOC"). An instruction the User may attach to an order stating the order 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.

(2) Day. An instruction the User may attach to an order stating that an order to buy or sell which, if not executed, expires at the end of the specified trading session. Any order with a Day instruction entered into the System before the start of the specified trading session will be placed by the System in a pending state and activated for potential execution upon the start of that trading session.

(3) Fill-or-Kill ("FOK"). An instruction the User may attach to an order stating that the order is to be executed in its entirety as soon as it is received and, if not so executed, cancelled.

(4) Good-'til Time ("GTT"). An instruction the User may attach to an order specifying the time of day at which the order expires. Any unexecuted portion of an order with a TIF instruction of GTT will be cancelled at: (i) the expiration of the User's specified time; (ii) at the end of the User's specified trading session(s); or (iii) the end of the trading day, as instructed by the User. In no event shall an order with a TIF instruction of GTT be eligible for execution over multiple trading days.

(r) Trading Center. Other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers.

(s) Units of Trading.

(1) Round Lot. One hundred (100) shares or any multiple thereof shall constitute a Round Lot, unless an alternative number of shares is established as a Round Lot by the listing exchange for the security. Orders that are a Round Lot are eligible to be Protected Quotations.

(2) Odd Lot. Any amount less than a Round Lot. Orders of Odd Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot.

(3) Mixed Lot. Any amount greater than a Round Lot that is not an integer multiple of a Round Lot shall constitute a Mixed Lot. Odd Lot portions of orders of Mixed Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot.

#### 11.7. Opening Process

(a) Order Entry and Cancellation before the Opening Process. Prior to the beginning of the Regular Session, Users who wish to participate in the Opening Process may enter orders to buy or sell. Orders cancelled before the Opening Process will not participate in the Opening Process.

(1) All orders with a TIF instruction of IOC or FOK may execute against eligible Pre-Opening Session contra-side interest resting in the EDGX Book in the time period between the start of 9:30 a.m. Eastern Time and the Exchange's Opening Process, as described in section (b), below;

(2) All orders may participate in the Opening Process except: orders with a Stop Price or Stop Limit Price instruction; Limit Orders with a Post Only, FOK, or IOC instruction, and Intermarket Sweep Orders. Limit Orders with a Reserve Quantity may participate to the full extent of their displayed size and Reserve Quantity. Limit Orders with a Discretionary Range may participate up to their discretionary limit price for buy orders or down to their discretionary limit price for sell orders. All Limit Orders with a Pegged instruction, as defined in Rule 11.6(i), will be eligible for execution in the Opening Process based on their pegged prices.

(3) The Exchange will open by attempting to execute all orders eligible for the Opening Process.

(b) Performing the Opening Process. The Exchange will attempt to perform the Opening Process, in which the Exchange matches buy and sell orders that are executable at the midpoint of the NBBO as described in paragraph (c) below. Notwithstanding Rule 11.9(a)(2)(B), all orders eligible to trade at the midpoint will be processed in time sequence, beginning with the order with the oldest time stamp. Matches will occur until there is no remaining volume or there is an imbalance of orders. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part.

Such orders may, in whole or in part, be placed on the EDGX Book, canceled, executed, or routed to other away Trading Centers in accordance with Rule 11.11. If no matches can be made, the Opening Process will conclude with all orders that participated in the Opening Process being placed in the EDGX Book, cancelled, executed, or routed to away Trading Centers in accordance with Rule 11.11.

(c) Determining the price of the Opening Process. The price of the Opening Process will be at the midpoint of the NBBO.

(1) When the listing exchange is either the NYSE or NYSE MKT, the Opening Process will be priced at the midpoint of the: (i) first NBBO subsequent to the first reported trade on the listing exchange after 9:30:00 a.m. Eastern Time; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange after 9:30:00 a.m. Eastern Time, but before 9:45:00 a.m. Eastern Time if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

(2) For any other listing market, the Opening Process will be priced at the midpoint of the first NBBO disseminated after 9:30:00 a.m. Eastern Time.

(d) Contingent Open. If the conditions to establish the price of the Opening Process set forth under proposed Rule 11.7(c) do not occur by 9:45:00 a.m. Eastern Time, orders will be placed on the EDGX Book, routed, cancelled, or executed in accordance with the terms of the order. Notwithstanding the occurrence of a Contingent Open, MidPoint Match Orders, as defined in Rule 11.8(d), will not be eligible for execution until the conditions set forth under paragraph (c) above for determining the price of the Opening Process have been met.

(e) Re-openings. Re-openings will occur at the midpoint of the: (i) first NBBO subsequent to the first reported trade on the listing exchange following the resumption of trading after a halt, suspension, or pause; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

#### Rule 11.8. Order Types

Users may enter into the System the types of orders listed in this Rule 11.8, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO or better when the order reaches the Exchange.

(1) **Stop Price.** An order may include a Stop Price which will convert the order into a Market Order when the Stop Price is triggered. An order to buy converts to a Market Order when the consolidated last sale in the security occurs at, or above, the specified Stop Price. An order to sell converts into a Market Order when the consolidated last sale in the security occurs at, or below, the specified Stop Price.

(2) **Time-In-Force.** Unless otherwise instructed by the User, the System will automatically default a Market Order to a TIF instruction of Day. A User may instead select TIF instructions of IOC or FOK for a Market Order. A Market Order that includes a TIF instruction of FOK will be cancelled if not executed in full immediately after entry into the System. [If a Market Order includes a TIF instruction of FOK, any portion of the Market Order not executed immediately after entry into the System will be cancelled. ]If a Market Order includes a TIF instruction of IOC, any portion of the Market Order not executed upon return to the System after being routed to an away Trading Center will be cancelled.

(3) **Size.** Market Orders may be an Odd Lot, Round Lot, or Mixed Lot. A User may attach a Minimum Execution Quantity instruction to a Market Order with a TIF instruction of IOC.

(4) **Display.** Under Rule 11.10(a)(3)(A), where a non-routable buy (sell) Market Order is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, such order will be posted by the System to the EDGX Book and priced at the Upper (Lower) Price Band, unless (i) the order includes a TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User entered a Cancel Back instruction. A Market Order that includes both a TIF instruction of Day and a Short Sale instruction that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted and displayed by the System to the EDGX Book and priced in accordance with the Short Sale Re-Price instruction described in Rule 11.[5]6(1)(2).

(5) **Session.** A Market Order is only eligible for execution by the System during the Regular Session.

(6) **Routing.** A Market Order may include a Book Only instruction. A Market Order that does not include a Book Only instruction, or a TIF instruction of IOC or FOK and cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing to a Trading Center pursuant to Rule 11.11.

(7) **Execution.** A Market Order shall not trade through a Protected Quotation. A Market Order with a Book Only instruction will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.10. Except with respect to a Market Order with a Destination-on-Open instruction, any portion of a Market Order that would execute at a price more than the greater of \$0.50 or 5 percent

worse than the consolidated last sale as published by the responsible single plan processor at the time the order is entered into the System will be cancelled.

(b) 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 lowest (highest) Protected Offer (Protected Bid) for the security.

(1) Stop Limit Price. An order may contain a Stop Limit Price which will convert to a Limit Order once the Stop Limit Price is triggered. A Limit Order to buy with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or above, the specified Stop Price. A Limit Order to sell with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or below, the specified Stop Limit Price.

(2) Time-in-Force. A Limit Order must have one of the following TIF instructions: IOC, FOK, Day or GTT. Unless otherwise instructed by the User, the System will automatically default a Limit Order to a TIF instruction of Day.

(3) Size. A Limit Order may be an Odd Lot, Round Lot or Mixed Lot. A User may include a Minimum Execution Quantity instruction for a Limit Order with a Non-Displayed instruction.

(4) Display. A Limit Order will default to a Displayed instruction unless the User includes a Non-Displayed instruction on the order, or a portion thereof. A Limit Order with a Displayed instruction will default to a Non-Attributable instruction, unless the User selects the Attributable instruction.

(5) Reserve. A Limit Order with a Displayed instruction may include a Reserve Quantity. A Limit Order with both a Displayed instruction and Reserve Quantity must include a replenishment amount. Unless the User selects the Random Replenishment instruction, the System will automatically default the order to the Fixed Replenishment instruction with a replenishment value equal to the displayed quantity of the order.

(6) Session. A Limit Order can be eligible for execution during the Pre-Opening Session, Regular Session and the Post-Closing Session.

(7) Routing/Posting. A Limit Order may include a Post Only or Book Only instruction. Unless a Limit Order includes a Post Only or Book Only instruction, a marketable Limit Order will be eligible to be routed to a Trading Center pursuant to Rule 11.11. A routable Limit Order may include a Destination Specified, or Destination-On-Open instruction. A Limit Order which is routable under Rule 11.11 may also include an Aggressive or Super Aggressive instruction.

The following functionality described in paragraphs (8) – (11) below is available for Limit Orders that include a Post Only or Book Only instruction or TIF instruction of Day or GTT.

(8) Discretionary Range. A User may include a Discretionary Range instruction.

(9) Pegged. A User may indicate that the order include a Pegged instruction (i.e., Market Peg or Primary Peg). A Limit Order that includes a Pegged instruction is not eligible to be routed to another Trading Center in accordance with Rule 11.11.

(10) Re-Pricing Instructions to Comply with Rule 610 of Regulation NMS. A Limit Order that, if displayed at its limit price at the time of entry into the System, would become a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Price Adjust instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Hide Not Slide instruction [or the Single Re-Price instruction]. A Limit Order to buy (sell) with a limit price that would be a Crossing Quotation at the time of entry into the System will not execute at a price that is higher (lower) than the Locking Price.

(11) Re-Pricing Instruction to Comply with Rule 201 of Regulation SHO. A Limit Order that includes a Short Sale instruction that is not marked Short Exempt, and that cannot be executed in the System or displayed by the System on the EDGX Book at its limit price at the time of entry into the System because a Short Sale Circuit Breaker is in effect, will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects [either] the Short Sale Price Sliding instruction [or the Short Sale Single Re-Price instruction].

(12) Re-Pricing of Routed and Returned Orders. A Limit Order, or a portion thereof, that is returned to the Exchange after being routed away in accordance with Rule 11.11, that, if displayed at its limit price at the time of entry into the System, would be a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Routed and Returned Re-Pricing instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Price Adjust instruction, or the Hide Not Slide instruction[, or the Single Re-Price instruction].

(13) Re-Pricing of Non-Displayed Limit Orders. A Limit Order with a Non-Displayed instruction that is priced better than the midpoint of the NBBO will be re-priced in accordance with the Re-Pricing of orders with a Non-Displayed instruction process under proposed Rule 11.6(l)(3). Under Rule 11.6(l)(3), a User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back when the order's limit price is greater (less) than the NBO (NBB).

(c) Intermarket Sweep Order (“ISO”). The System will accept ISOs (as such term is defined in Regulation NMS). To be eligible for treatment as an ISO, the order must be: (i) a Limit Order; (ii) marked “ISO”; and (iii) the User entering the order must simultaneously route one or more additional Limit Orders marked “ISO,” if necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the ISO entered in the System. Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the System without regard to Protected Quotations at away Trading Centers consistent with Regulation NMS (i.e., may trade through such quotations).

The Exchange relies on the marking of an order as an ISO when handling such order, and thus, it is the entering Member’s responsibility, not the Exchange’s responsibility, to comply with the requirements of Regulation NMS relating to ISOs. ISOs are not eligible for routing pursuant to Rule 11.11.

(1) Time-in-Force. Incoming ISOs will have a TIF instruction of Day unless the User selects a TIF instruction of GTT or IOC. Incoming ISOs cannot include a TIF instruction of FOK. An incoming ISO with a Post Only and TIF instruction of GTT or Day will be canceled without execution if, when entered, it is immediately marketable against an order with a Displayed instruction resting in the EDGX Book unless the User included on the ISO a Price Adjust instruction, or the Hide Not Slide instruction[, or the Single Re-Price instruction].

A User entering an incoming ISO with TIF instruction of Day represents that such User has simultaneously routed one or more additional Limit Orders marked “ISO,” if necessary, to away Trading Center to execute against the full displayed size of any Protected Quotation for the security with a price that is superior or equal to the limit price of the ISO entered in the System.

(2) Size. Incoming ISOs may be an Odd Lot, Round Lot, or Mixed Lot. A User may include a Minimum Execution Quantity instruction for an incoming ISO with an IOC instruction.

(3) Display. Any unfilled portion of an incoming ISO with a GTT or Day instruction will be posted by the System to the EDGX Book at the entered limit price.

(4) Session. Incoming ISOs may be submitted during the Pre-Opening Session, Regular Session and the Post-Closing Session.

(5) Re-Pricing Instructions. An incoming ISO that includes a Post Only and TIF instruction of GTT or Day may be displayed at prices equal to or more aggressive than the Locking Price. However, if the System is displaying orders on the EDGX Book at prices equal to the NBB or NBO on the contra-side of the ISO at the time of the ISO’s entry in the System, the System will immediately Cancel Back the ISO, unless the User

included on the ISO a Price Adjust instruction, or the Hide Not Slide instruction[, or the Single Re-Price instruction].

(6) Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO. An incoming ISO combined with a TIF instruction of GTT or Day, and a Short Sale instruction that does not include a Short Exempt instruction and that cannot be executed or displayed at its limit price at the time of entry into the System because of the existence of a Short Sale Circuit Breaker, will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects [either] the Short Sale Price Sliding instruction [or the Short Sale Single Re-Price instruction].

(7) Routing/Directed ISO – Outbound ISOs. An ISO entered by a User that bypasses the System and is immediately routed by the Exchange to an away Trading Center specified by the User for execution. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs. Paragraphs (1) – (6) above do not apply to Outbound ISOs under this paragraph.

(d) MidPoint Match ("MPM") Order. A non-displayed Market Order or Limit Order with an instruction to execute at the midpoint of the NBBO. Notwithstanding that an MPM Order may be a Market Order or a Limit Order, its operation and available modifiers are limited to this Rule 11.8(d). An MPM Order that is entered with a limit price will have its ability to execute at the mid-point of the NBBO bound by such limit price.

(1) Time-in-Force. An MPM Limit Order may only contain the following TIF instructions: Day, FOK, IOC, or GTT. Any unexecuted portion of an MPM Limit Order with a TIF instruction of Day or GTT that is resting on the EDGX Book will receive a new time stamp each time it is re-priced in response to changes in the midpoint of the NBBO.

(2) Size. MPM Orders may be entered as a Round Lot or Mixed Lot only. A User may include a Minimum Execution Quantity instruction.

(3) Display. MPM Orders are defaulted by the System to a Non-Displayed instruction. MPM Orders are not eligible to include a Displayed instruction.

(4) Session. MPM Orders may only be executed during the Regular Session. MPM Orders may also be submitted to be executed during the Opening Process described in Rule 11.7(c). In the event of a Contingent Open as described in Rule 11.7(d), an MPM Order will not be eligible to trade during Regular Session until the conditions set forth under Rule 11.7(c) for determining the price of the Opening Process have been met.

- (5) Routing/Posting. MPM Orders are not eligible for routing pursuant to Rule 11.11.
- (6) Locked or Crossed Market. An MPM Order is not eligible for execution when a Locking Quotation or Crossing Quotation exists. In such case, an MPM Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists. The MPM order will receive a new time stamp when a Locking Quotation or Crossing Quotation no longer exists and a new midpoint of the NBBO is established. In such case, pursuant to Rule 11.9, all MPM orders that are re-ranked at the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were initially received by the System.
- (7) Limit-Up/Limit Down. Pursuant to Rule 11.10(a)(3), MPM Orders will not trade with any other orders when the midpoint of the NBBO is below the Lower Price Band or above the Upper Price Band. MPM Orders will continue to execute at the midpoint of the NBBO as long as the execution price is between the Lower and Upper Price Bands.
- (e) NBBO Offset Peg Order. A Limit Order that, upon entry, is automatically priced by the System at the Designated Percentage (as defined in Rule 11.20(d)(2)(D)) away from the then current NBB (in the case of an order to buy) or NBO (in the case of an order to sell), or if there is no NBB or NBO at such time, at the Designated Percentage away from the last reported sale from the responsible single plan processor. Notwithstanding that a NBBO Offset Peg Order is also considered a Limit Order, its operation and available modifiers are limited to this Rule 11.8(e).
- (1) Price Adjustments. Upon reaching the Defined Limit (as defined in Rule 11.20(d)(2)(F)), the price of an NBBO Offset Peg Order bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB or NBO, respectively, or if there is no NBB or NBO at such time, to the Designated Percentage away from the last reported sale from the responsible single plan processor. If an NBBO Offset Peg Order bid or offer moves a specified number of percentage points away from the Designated Percentage toward the then current NBB or NBO, the price of such bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB and NBO. If there is no NBB or NBO at such time, the order will be automatically adjusted by the System to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that pricing an NBBO Offset Peg Order at the Designated Percentage away from the then current NBB or NBO, or, if there is no NBB or NBO, to the Designated Percentage away from the last reported sale from the responsible single plan processor, would result in the order exceeding its limit price, the order will be cancelled or rejected.
- (2) No NBB, NBO, and Last Reported Sale. In the absence of an NBB or NBO and last reported sale, the order will be cancelled or rejected.

(3) NBBO Offset Peg Order Becomes NBBO. If, after entry, the NBBO Offset Peg Order is priced based on the consolidated last sale and such NBBO Offset Peg Order is established as the NBB or NBO, the NBBO Offset Peg Order will not be subsequently adjusted in accordance with this rule until either there is a new consolidated last sale, or a new NBB or new NBO is established by a national securities exchange.

(4) Time-in-Force. NBBO Offset Peg Orders may only include a TIF instruction of Day.

(5) Size. NBBO Offset Peg Orders may only be entered as a Round Lot or Mixed Lot.

(6) Display. NBBO Offset Peg Orders are defaulted by the System to a Displayed instruction. NBBO Offset Peg Orders are not eligible to include a Non-Displayed instruction.

(7) Session. Users may submit NBBO Offset Peg Orders to the Exchange starting at the beginning of the Pre-Opening Session, but such orders are not executable or automatically priced until after the first regular way transaction on the listing exchange in the security, as reported by the responsible single plan processor. The order expires at the end of the Regular Session.

(8) Routing/Posting. NBBO Offset Peg Orders are not eligible for routing pursuant to Rule 11.11.

(9) Locked or Crossed Market. When a Crossing Quotation exists, an NBBO Offset Peg Order will be automatically priced by the System at the Designated Percentage (as defined in Rule 11.20(d)(2)(D)) away from the then current NBO (in the case of an order to buy) or NBB (in the case of an order to sell).

(10) Notwithstanding the availability of the NBBO Offset Peg Order functionality, a User acting as a Market Maker remains responsible for entering, monitoring, and re-submitting, as applicable, quotations that meet the requirements of Rule 11.20(d).

(11) An NBBO Offset Peg Order will receive a new time stamp each time it is re-priced in response to changes in the NBB, NBO, or last reported sale.

(f) Route Peg Order. A non-displayed Limit Order that is eligible for execution at the NBB for a buy order and NBO for a sell order against an order that is in the process of being routed to an away Trading Center if such order that is in the process of being routed away is equal to or less than the aggregate size of the Route Peg Order interest available at that price. Route Peg Orders are passive, resting orders on the EDGX Book and do not take liquidity. A Route Peg Order does not execute at a price that is inferior to

a Protected Quotation. Notwithstanding that a Route Peg Order is also a Limit Order, its operation and available modifiers are limited to this Rule 11.8(f).

(1) Time-in-Force. A Route Peg Order may only include a TIF instruction of GTT or Day. Route Peg Orders are not eligible to include a TIF instruction of IOC or FOK.

(2) Size. Route Peg Orders may only be entered as Round Lots or Mixed Lots. A User may specify a Minimum Execution Quantity for a Route Peg Order.

(3) Display. Route Peg Orders are defaulted by the System to a Non-Displayed instruction. Route Peg Orders are not eligible to include a Displayed instruction.

(4) Session. Route Peg Orders may be entered, cancelled, and cancelled/replaced prior to and during the Regular Session. Route Peg Orders are only eligible for execution in a given security during the Regular Session, except that, even after the commencement of the Regular Session, Route Peg Orders are not eligible for execution: (1) in the Opening Process; and (2) until such time that orders in that security during the Regular Session can be posted by the System to the EDGX Book. Any and all remaining, unexecuted Route Peg Orders are cancelled at the conclusion of the Regular Session.

(5) Routing/Posting. Route Peg Orders are not eligible for routing pursuant to Rule 11.11.

(6) Locked or Crossed Market. A Route Peg Order is not eligible for execution when a Locking Quotation or Crossing Quotation exists. In such case, a Route Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists.

#### 11.9. Priority of Orders

(a) Ranking. Orders of Users shall be ranked and maintained in the EDGX Book based on the following priority:

(1) Price. The highest-priced order to buy (lowest-priced order to sell) shall have priority over all other orders to buy (sell) in all cases.

(2) Time. Subject to Rule 11.10, the following priority rules shall apply:

(A) Where orders to buy (sell) are entered into the System at the same price, the order clearly established as the first entered into the System at such particular price shall have precedence at that price, up to the number of shares of stock specified in the order. Except as provided in paragraphs (B) and (C) below,

the System shall execute equally priced trading interest within the System in time priority in the following order:

- (i) The portion of a Limit Order with a Displayed instruction;
- (ii) Limit Orders with a Non-Displayed instruction and the Reserve Quantity of Limit Orders;
- (iii) Limit Orders executed within their Discretionary Range;  
and
- (iv) Route Peg Orders.

(B) At the Midpoint of the NBBO. Where orders to buy (sell) are priced at the midpoint of the NBBO, the order clearly established as the first priced at the midpoint of the NBBO within each sub-paragraph below shall have precedence at the mid-point of the NBBO, up to the number of shares of stock specified in the order. The System shall execute trading interest priced at the midpoint of the NBBO within the System in time priority in the following order:

- (i) Limit Orders to which the Hide Not Slide or Routed and Returned instruction has been applied;
- (ii) MidPoint Match Orders;
- (iii) Limit Orders with a Non-Displayed instruction; and
- (iv) Limit Orders executed within their Discretionary Range.

(C) Where buy (sell) orders are utilizing instructions that cause them to be re-ranked by the System upon clearance of a Locking Quotation, the System shall re-rank and display such orders at the Locking Price in time priority in the following order:

- (i) ISO with a TIF instruction of Day that establishes a new NBBO at the Locked Price;
- (ii) Limit Orders to which the Hide Not Slide or Routed and Returned instruction has been applied;
- (iii) Limit Orders to which the Price Adjust instruction has been applied; and
- (iv) Orders with a Pegged instruction.

(D) For purposes of paragraphs (A) and (B) above:

(i) ISOs, as defined in Rule 11.8(c), and NBBO Offset Peg Orders, as defined in Rule 11.8(e), are to be treated as Limit Orders, as defined in Rule 11.8(b); and

(ii) orders re-ranked subject to a Re-Pricing instruction to comply with Rule 201 of Regulation SHO under Rule 11.6(l)(2), including Market Orders that are displayed on the EDGX Book pursuant to Rule 11.8(a)(4) and Rule 11.10(a)(3)(A), maintain the same priority as Limit Orders at that price.

(3) Internalization. Users may direct that orders entered into the System not execute against orders entered under the same MPID. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.

(4) Cancel/Replace. In the event an order has been cancelled or replaced in accordance with Rule 11.10(e) below, such order only retains priority if such modification involves a decrease in the size of the order. Any other modification to an order, including an increase in the size of the order and/or price change, will result in such order losing priority as compared to other orders in the EDGX Book and the time\_stamp for such order being revised to reflect the time of the modification.

(5) (No change).

(6) Replenishment from Reserve Quantity. The displayed quantity of a Limit Order shall have time priority as of the time of display. If the displayed quantity of the Limit Order is decremented such that less than a Round Lot would be displayed, the portion of the Limit Order with a Displayed instruction shall be replenished from the Reserve Quantity, if any, in accordance with Rule 11.6(m)(1)(A) or (B). A new time stamp is created for the displayed portion of the order each time it is replenished from the Reserve Quantity.

(7) Route Peg Order. If a Route Peg Order is executed in part, the remaining portion of the order shall continue to be eligible for execution and shall be assigned a new time stamp, until either the remaining size is exhausted or the Route Peg Order is cancelled by the Member.

(8) (No change).

(b) (No change).

11.10. Order Execution

(a) Execution. Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this Rule 11.10.

(1) Compliance with Regulation SHO. For any execution of an order that includes a Short Sale instruction to occur on the Exchange when a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the price must be above the current NBB, unless the sell order was initially displayed by the System at a price above the then current NBB or is marked “short exempt” pursuant to Regulation SHO.

(2) Compliance with Regulation NMS. For any execution to occur during Regular Trading Hours, the price must be equal to or better than the Protected NBBO, unless the order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS. For any execution to occur during the Pre-Opening Session or the Post-Closing Session, the price must be equal to or better than the highest bid or lowest offer in the EDGX Book or disseminated by the responsible single plan processor, unless the order is marked ISO. For purposes of this Rule 11.10, any order falling within the parameters of this paragraph shall be referred to as “executable.” An order will be cancelled back to the User, if based on market conditions, User instructions, applicable Exchange Rules and /or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.11 or cannot be posted to the EDGX Book.

(3) Compliance with the requirements of the Plan. Except as provided in Section VI of the Plan, for any executions to occur during Regular Trading Hours, such executions must occur at a price that is greater than or equal to the Lower Price Band and less than or equal to the Upper Price Band, when such Price Bands are disseminated.

(A) Where a non-routable buy (sell) order is entered into the System at a price less (greater) than or equal to the Upper (Lower) Price Band, such order will be posted to the EDGX Book or executed, unless (i) the order that includes a

TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User has entered instructions to cancel the order.

(B) (No change).

(C) A description of the behavior of routable market and Limit Orders in response to the Plan is found in Rule 11.11(b)(1).

(D) Where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price. When a short sale order is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order, if necessary, at a Permitted Price pursuant to Exchange Rule 11.6(k).

(E) (No change).

(4) Execution against EDGX Book. An incoming order shall first attempt to be matched for execution against orders in the EDGX Book, unless the User [includes a Post Only instruction to the order or] instructs the System to bypass the EDGX Book and route the order to an away Trading Center, in accordance with Exchange Rules.

(A) – (B) (No change).

(5) Short Sales. All orders to sell short shall include a Short Sale instruction, and if applicable, a Short Exempt instruction when entered into the System. If an order includes a Short Exempt instruction, the Exchange shall execute, display and/or route an order without regard to any short sale price test restriction in effect under Regulation SHO. The Exchange relies on the inclusion of a Short Exempt instruction when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation SHO relating to including a Short Exempt instruction on an order.

(b) Display of Automated Quotations. The System will be operated as an "automated market center" within the meaning of Regulation NMS, and in furtherance thereof, will display "automated quotations" within the meaning of Regulation NMS at all times except in the event that a systems malfunction renders the System incapable of displaying automated quotations, in which case the System will be disabled and will be unable to

accept any orders. The Exchange shall promptly communicate to Users the unavailability of the System.

(c) Self-Help. The Exchange intends to take advantage of the self-help provisions of Regulation NMS. Pursuant to the self-help provisions, the System may execute a transaction that would constitute a trade-through of a Protected Quotation displayed on another trading center if such trading center is experiencing a failure, material delay, or malfunction of its systems or equipment. If another trading center publishing a Protected Quotation repeatedly fails to respond within one second to orders sent by the System to access the trading center's Protected Quotation, the System may disregard those Protected Quotations when routing, displaying, canceling or executing orders on the Exchange. When invoking self-help, the Exchange will:

(1) Notify the non-responding trading center immediately after (or at the same time as) electing self-help; and

(2) Assess whether the cause of the problem lies with the System and, if so, taking immediate steps to resolve the problem instead of invoking self-help.

(d) EdgeRisk Self Trade Protection ("ERSTP") Modifiers. Any incoming order designated with an ERSTP modifier will be prevented from executing against a resting opposite side order also designated with an ERSTP modifier and originating from the same market participant identifier ("MPID"), Exchange Member identifier or ERSTP Group identifier (any such identifier, a "Unique Identifier"). The ERSTP modifier on the incoming order controls the interaction between two orders marked with ERSTP modifiers.

(1) ERSTP Cancel Newest ("CN"). An incoming order marked with the "CN" modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. The incoming order marked with the CN modifier will be cancelled back to the originating User(s). The resting order marked with an ERSTP modifier will remain on the book.

(2) ERSTP Cancel Oldest ("CO"). An incoming order marked with the "CO" modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. The resting order marked with the [AIQ]ERSTP modifier will be cancelled back to the originating User(s). The incoming order marked with the CO modifier will remain on the book.

(3) ERSTP Decrement and Cancel ("DC"). An incoming order marked with the "DC" modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the

orders are not equivalent in size, the smaller order will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the book.

(4) ERSTP Cancel Both (“CB”). An incoming order marked with the “CB” modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. The entire size of both orders will be cancelled back to the originating User(s).

(5) ERSTP Cancel Smallest (“CS”). An incoming order marked with the CS modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller of the two orders will be cancelled back to the originating User and the larger order will remain on the book.

(e) Cancel/Replace Messages. A User may cancel or replace an existing order entered by the User, subject to the following limitations.

(1) Orders may only be cancelled or replaced if the order has a TIF instruction other than IOC and FOK and if the order has not yet been executed in its entirety.

(2) If an order has been routed to another Trading Center, the order will be placed in a “Pending” state until the order is returned from the destination(s) to which it was routed. Executions that are completed when the order is in the “Pending” state will be processed in accordance with Rule 11.10(a)(4).

(3) Only the price and quantity terms of the order may be changed by a Replace Message (including changing a Limit Order to a Market Order). If a User desires to change any other terms of an existing order the existing order must be cancelled and a new order must be entered.

(4) Notwithstanding anything to the contrary in these Exchange Rules, no cancellation or replacement of an order will be effective until such message has been received and processed by the System.

(f) Locking Quotation or Crossing Quotations in NMS Stocks.

(1) Prohibition. Except for quotations that fall within the provisions of paragraph (f)(3) of this Rule, the System shall not make available for dissemination, and Users shall reasonably avoid displaying, and shall not engage in a pattern or practice of

displaying, any quotations that lock or cross a Protected Quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan during Regular Trading Hours.

(2) Manual quotations. If a User displays a manual quotation that locks or crosses a quotation previously disseminated pursuant to an effective national market system plan, such User shall promptly either withdraw the manual quotation or route an ISO to execute against the full displayed size of the locked or crossed quotation.

(3) Exceptions.

(i) The Locking Quotation 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.

(ii) The Locking Quotation or Crossing Quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.

(iii) The Locking Quotation or Crossing Quotation was an automated quotation, and the User displaying such automated quotation simultaneously routed an ISO to execute against the full displayed size of any Protected Quotation that is a Locking Quotation or Crossing Quotation.

(iv) The Locking Quotation or Crossing Quotation was a manual quotation that locked or crossed another manual quotation, and the User displaying the locking or crossing manual quotation simultaneously routed an ISO to execute against the full displayed size of the locked or crossed manual quotation.

#### 11.11. Routing to Away Trading Centers

Unless the terms of the order direct the Exchange not to route such order away, if a Market Order or marketable Limit Order has not been executed in its entirety pursuant to 11.10(a)(4) above, the order shall be eligible for routing away pursuant to one or more of the routing options listed under paragraph (g) below.

(a) Regulation SHO. An order that includes a Short Sale instruction when a short sale price test restriction pursuant to Rule 201 of Regulation SHO is in effect is not eligible for routing by the Exchange. If an order is ineligible for routing due to the short sale price test restriction and such order contains a Time-in-Force of IOC, then the order will be cancelled. For any other order ineligible for routing due to a short sale price test restriction, the Exchange will post the unfilled balance of the order to the EDGX Book, treat the order as if it included a Book Only or Post Only instruction, and subject it to the Short Sale Price Adjust instruction, as described in Rule 11.6(1)(2)(A), unless the User has elected the Short Sale Price Sliding instruction [or Short Sale Single Re-Price

instruction ]described in Rule 11.6(l)(2)(B) [and (C)] or have the order Cancel Back as described in Rule 11.6(b).

(b) The Plan.

(1) In order to comply with the Plan, a routable buy (sell) Market or routable marketable Limit Order will be routed by the Exchange only when the NBO (NBB) is or becomes executable according to the Plan, which would be when the NBO is less than or equal to the Upper Price Band (NBB is greater than or equal to the Lower Price Band). According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is greater than the Upper Price Band (the NBB is less than the Lower Price Band) (“Non-Executable”).

Except for routing strategies SWPA, SWPB and SWPC, for purposes of the below subparagraphs, routing strategies that access all Protected Quotations include ROU, ROUX, ROUC, ROUE and ROOC. Routing strategies that do not access all Protected Quotations include all other routing strategies listed in paragraph (g), as described below.

(i) Routable Market Orders. For routing strategies that access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell) Market Order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) Market Order does not move above (below) its market collar price, as defined in Rule 11.8(a)(7), or alternatively, such buy (sell) Market Order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable Market Orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(ii) Routable Limit Orders. If the price of (i) a routable buy (sell) Limit Order that is entered into the System or (ii) the unfilled balance of such order that is returned from routing to away Trading Centers is greater (less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the NBO (NBB) being or having become Non-Executable, then the System will default to re-price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or alternatively, it may be cancelled pursuant to User instruction. For routing strategies that access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves above (below) the routable buy (sell) order’s posting price, such routable order will continue to be re-priced to the Upper (Lower) Price

Band until the order reaches its limit price. For all other routing strategies that do not access all Protected Quotations, the routable order will not be re-priced to a price above (below) the original price at which it was posted to the EDGX Book.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

- (c) Re-routing. For routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange.
- (d) Routing strategies SWPA, SWPB and SWPC (together, “SWP”), as described in paragraph (g), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.
- (e) Routing of Market Orders. With respect to an order that is eligible for routing, the System will designate Market Orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User’s instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will cancel any unexecuted portion back to the User.
- (f) Routing of Marketable Limit Orders. With respect to an order that is eligible for routing, the System will designate marketable Limit Orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers (as defined in Rule 2.11) for potential execution, per the entering User’s instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as an order with a Book Only instruction subject to a Re-Pricing Option described in Rule 11.6(l), or (ii) repeat the process described in paragraph (a)(4) above and this paragraph (f) by executing against the EDGX Book and/or routing orders to other Trading Centers until the original, incoming order is executed in its entirety or its limit price is reached. If the order’s limit price is reached, the order will be posted in the EDGX Book.
- (g) Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and Times-in-Force instruction,

with the exception of order types and Times-in-Force instruction whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible Trading Centers. The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to route orders simultaneously or sequentially, maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(1) ROUC. ROUC is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted on the EDGX Book.

(2) ROUD. ROUD is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(3) The following routing strategies check the System for available shares and then are sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User. For strategies in paragraphs (i)-(iii) below, Users may elect that any remainder of an order be posted on the EDGX Book or to another destination on the System routing table.

- (A) ROUE
- (B) ROUT
- (C) ROUX
- (D) ROUQ
- (E) ROUZ

(4) INET. INET is a routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book.

(5) ROBA. ROBA is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to BATS BZX Exchange. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(6) ROBX. ROBX is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to Nasdaq BX Exchange. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(7) ROBY. ROBY is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to BATS BYX Exchange. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(8) RDOT. RDOT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. Any remainder will be posted to the NYSE, unless otherwise instructed by the User.

(9) RDOX. RDOX is a routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User.

(10) ROLF. ROLF is a routing option under which an order checks the System for available shares and then is sent to LavaFlow ECN.

(11) ROPA. ROPA is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to NYSE Arca. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(12) IOCX. IOCX is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to EDGA. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(13) IOCT. IOCT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent, with a Time-in-Force instruction of IOC, to EDGA. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(14) ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the EDGX Book, executed, or routed like a ROUT routing option, as described in paragraph (c), above.

(15) SWPA. SWPA is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for

displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPA order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations.

(16) SWPB. SWPB is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPB order will be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations.

(17) SWPC. SWPC is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the order is unexecuted, the remainder is posted on the EDGX Book at the order's limit price. The entire SWPC order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPC order to fulfill the displayed size of all Protected Quotations.

(h) Priority of Routed Orders. Orders sent by the System to Trading Centers do not retain time priority with respect to other orders in the System and the System shall continue to execute other orders while routed orders are away at another Trading Center. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to another trading center and remains outside the System shall be processed, subject to the applicable trading rules of the relevant trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the EDGX Book in accordance with the terms of such order under Rule 11.9 and such order shall be eligible for execution under Rule 11.10.

(i) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, DE Route, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away trading centers. Pursuant to the policies and procedures developed by DE Route to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), DE Route will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

## 11.12. Trade Reporting

(a) – (b) (No change).

## 11.13. Clearance and Settlement; Anonymity

(a) – (e) (No change).

## 11.14. LIMITATION OF LIABILITY

(a) – (d) (No change).

## 11.15. 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 permanent, the prior versions of paragraphs (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

(a) – (i) (No change).

## Rule 11.16. Trading Halts Due to Extraordinary Market Volatility

This Rule shall be in effect during a pilot period to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of Rule 11.16 shall be in effect.

(a) – (d) (No change).

(e) On the occurrence of any trading halt pursuant to this Rule 11.16, all outstanding Post Only orders in the System will be cancelled.

(f) Nothing in this Rule 11.16 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

(No change).

Interpretations and Policies: (No change).

## Rule 11.17. Registration of Market Makers

(a) – (f) (No change).

Rule 11.18. Obligations of Market Maker Authorized Traders

(a) – (c) (No change).

Rule 11.19. Registration of Market Makers in a Security

(a) - (b) (No change).

(c) The Exchange may suspend or terminate any registration of a Market Maker in a security or securities under this Rule 11.19 whenever the Exchange determines that:

(1) The Market Maker has not met any of its obligations as set forth in these Rules; or

(2) The Market Maker has failed to maintain fair and orderly markets. A Market Maker whose registration is suspended or terminated pursuant to this Rule 11.19 (c) may seek review under Chapter X of Exchange Rules governing adverse action.

(d) Nothing in this Rule 11.19 will limit any other power of the Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.19.

Rule 11.20. Obligations of Market Makers

(a) - (b) (No change).

(c) If the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Market Maker will be subject to disciplinary action, including, without limitation, suspension or revocation of its registration by the Exchange in one or more of the securities in which the Market Maker is registered. Nothing in this Rule 11.20 limits any powers of the Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.20. Any Member aggrieved by any determination under this Rule 11.20 may seek review under Chapter X of the Exchange Rules governing adverse action.

(d) (No change).

Interpretation and Policies

.01 The obligation of a Market Maker pursuant to Rule 11.20(a)(3) to “inform the Exchange of any material change in financial or operational condition” includes the requirement to submit a copy to the Exchange of a notice sent to the Securities and Exchange Commission (“SEC”) pursuant to Rule 17a-11 under the Exchange Act. The notice to the Exchange must be sent concurrently with the notice sent to the SEC. See also, EDGX Rule 4.2.

#### 11.21. Retail Orders.

(a) Retail Order. A Retail Order is an order that: (i) is an agency order or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person; (ii) is submitted to EDGX by a Member, provided that no change is made to the terms of the order; and (iii) does not originate from a trading algorithm or any other computerized methodology.

(b) Written Attestation. Members must submit a signed written attestation, in a form prescribed by the Exchange, that they have implemented policies and procedures that are reasonably designed to ensure that substantially all orders designated by the Member as a Retail Order comply with the above requirements.

(c) Policies and Procedures. If the Member represents Retail Orders from another broker-dealer customer, the Member’s supervisory procedures must be reasonably designed to assure that the orders it receives from such broker dealer customer that it designates as Retail Orders meet the definition of a Retail Order. The Member must (i) obtain an annual written representation from each broker-dealer customer that sends it orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements specified by the Exchange, and (ii) monitor whether its broker-dealer customer's Retail Order flow continues to meet the applicable requirements.

(d) Order Designation. Members will only be able to designate their orders as Retail Orders on either an order-by-order basis using FIX ports or by designating certain of their FIX ports at the Exchange as “Retail Order Ports.”

(e) Attribution. A Member may designate a Retail Order to be identified as Retail on the EDGX Book Feed on an order-by-order basis. A Member may also instruct the Exchange to identify all its Retail Orders as Retail on a port-by-port basis where that port is also designated as a Retail Order Port. However, if a Member instructs the Exchange to identify all its Retail Orders as Retail on a Retail Order Port, it will not be able to designate any Retail Order from that port as Attributable or as Non-Attributable, as set forth in Rule 11.6(a).

**Exhibit 5**

Proposed new language is underlined; proposed deletions are marked by [brackets].

Rules of EDGX Exchange, Inc.

**CHAPTER I. ADOPTION, INTERPRETATION AND APPLICATION OF RULES,  
AND DEFINITIONS**

Rules 1.1 – 1.4. (No changes)

Rule 1.5. Definitions

Unless the context otherwise requires, for all purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the Exchange's By-Laws or as set forth below:

(a) – (cc) (No change).

(dd) Top of Book

The term "Top of Book" shall mean the best-ranked order to buy (or sell) in the EDGX Book as ranked pursuant to Rule 11.[8]9.

(ee) – (gg) (No change).

\* \* \* \* \*

**CHAPTER VIII. DISCIPLINE**

Rule 8.15. Imposition of Fines for Minor Violation(s) of Rules

(a) – (e) (No change).

Interpretations and Policies

.01 List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to Rule 8.15:

Recommended Fine Schedule – 8.15.01(a)-(f)

<u>Occurrence*</u>	<u>Individual</u>	<u>Member firm</u>
First time fined	\$100	\$500
Second time fined	\$300	\$1,000

Third time fined      \$500              \$2,500

\*Within a “rolling” 12-month period.

(a) Rule 4.2 and Interpretations, thereunder, requiring the submission of responses to Exchange requests for trading data within specified time period.

(b) Rule 11.[15]10(a)(5) requirement to identify short sale orders as such.

(c) Rule 11.[16]10(f) requirement to comply with locked and crossed market rules.

(d) Rule 2.5. Interpretation .04: Firm Element of Continuing Education Requirement.

(e) Rule 3.5 Advertising Practices

(f) Rule 12.11 Interpretation .01 and Exchange Act Rule 604 – Failure to properly display limit orders

Recommended Fine Amount for 8.15.01(g)-(h): \$100 per violation

(g) Rule 4.2 and Interpretations thereunder related to the requirement to furnish Exchange-related order, market and transaction data, as well as financial or regulatory records and information.

(h) Rule 11.2[1]0(a)(1) requirement for Market Makers to maintain continuous, two-sided quotations.

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## CHAPTER XI. TRADING RULES

### Rule 11.1. Hours of Trading and Trading Days

(a) Orders may be entered on the Exchange, executed on the Exchange or routed away from the Exchange during Regular Trading Hours, the Pre-Opening Session, the Regular Session, and the Post-Closing Session.

(1) Session Indicator. All orders are eligible for execution during the Regular Session. If an order is not designated as eligible for a particular session or sessions, it will default to the Regular Session as defined under paragraph (B) below. Orders may be

entered into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time are not eligible for execution until the start of the session selected by the User.

(A) Pre-Opening Session. Orders designated as Pre-Opening Session are eligible for execution between 8:00 a.m. Eastern Time and 4:00 p.m. Eastern Time.

(B) Regular Session. Orders designated as Regular Session are eligible for execution between the completion of the Opening Process or a Contingent Open as defined in Rule 11.7, whichever occurs first, and 4:00 p.m. Eastern Time.

(C) Post-Closing Session. Orders designated as Post-Closing Session are eligible for execution between the start of the Regular Session and 8:00 p.m. Eastern Time.

(D) All Sessions. Orders designated as All Sessions are eligible for execution between 8:00 a.m. and 8:00 p.m. Eastern Time.

(b) – (c) (No change).

Rules 11.2 – 11.4 (No change).

#### 11.5. [Orders and Modifiers]Input of Accurate Information

Members of the Exchange shall input accurate information into the System, including, but not limited to, whether the Member is acting in a principal, agent, or riskless principal capacity for each order it enters. If such capacity is not inputted by the Member for each order it enters, the Member's order will be rejected back by the Exchange.

[Users may enter into the System the types of orders listed in this Rule 11.5, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) General Order Types.

(1) 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 lowest (highest) Protected Offer (Bid) for the security.

(2) 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 Exchange. Market orders shall not trade through Protected Quotations. A market order that is designated as “EDGX Only” will be cancelled if, when reaching the Exchange, it cannot be executed on the

System in accordance with Rule 11.9(a)(4). Market orders that are not designated as “EDGX Only” and that cannot be executed in accordance with Rule 11.9(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.9(b)(1). Except with respect to a Destination-on-Open Order, as defined in paragraph (c)(10), below, any portion of a market order that would execute at a price more than \$0.50 or 5 percent worse than the consolidated last sale at the time the order initially reaches the Exchange, whichever is greater, will be cancelled. Market orders are not eligible for execution during the Pre-Opening or the Post-Closing Trading Sessions.

(b) Time-in-Force. Limit orders must have one of the following time-in-force terms.

(1) Immediate-or-Cancel (“IOC”) Order. A limit order that 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.

(2) Day Order. A limit order to buy or sell which, if not executed, expires at the end of Regular Trading Hours. Any Day Order entered into the System before the opening of Regular Trading Hours, as determined pursuant to Rule 11.1, will be placed in a pending state and activated for potential execution upon the opening of Regular Trading Hours. Any Day Order entered into the System after the closing of Regular Trading Hours will be rejected except to the extent marked as eligible to trade outside of Regular Trading Hours.

(3) Fill-or-Kill Order. A fill-or-kill order is a limit order that is to be executed in its entirety as soon as it is received and, if not so executed, cancelled.

(4) Good ‘til Cancel (“GTC”) Order. A limit order to buy or sell which, if not executed, will be cancelled by the close of the Post-Closing Session.

(5) Good ‘til Day (“GTD”) Order. A limit order to buy or sell which, if not executed, will be cancelled by the expiration time assigned to the order.

(c) Other Types of Orders and Order Modifiers. Unless an order’s instructions require it to be displayed on the Exchange or routed to an away trading center(s), an order may include instructions to be non displayed. All order types and modifiers listed below, except for those set forth in Rules 11.5(c)(2), (9)-(10) may also include instructions to be non displayed.

(1) Reserve Order. A limit order with a portion of the quantity displayed (“display quantity”) and with a reserve portion of the quantity (“reserve quantity”) that is not displayed.

(2) Odd Lot Order. An order to buy or sell an odd lot. Odd Lot Orders are only eligible to be Protected Quotations if aggregated to form a round lot.

(3) Mixed Lot Order. An order to buy or sell a mixed lot. Odd lot portions of Mixed Lot Orders are only eligible to be Protected Quotations if aggregated to form a round lot.

(4) EDGX Only Order. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.8 and Rule 11.9(a)(4) or cancelled, without routing away to another trading center. The System will default to the displayed price sliding process and short sale price sliding process for an EDGX Only Order unless the User has entered instructions not to use any of the processes.

(A) An EDGX Only Order that, at the time of entry, would cross a Protected Quotation will be re-priced to the locking price and ranked at such price in the EDGX Book. An EDGX Only Order that, if at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation will be displayed by the System at one minimum price variation (“MPV”) below the current NBO (for bids) or to one MPV above the current NBB (for offers) (collectively, the “displayed price sliding process”). In the event the NBBO changes such that the EDGX Only Order at the original locking price would not lock or cross a Protected Quotation, the order will receive a new timestamp, and will be displayed at the original locking price.

(B) An EDGX Only Order that, at the time of entry, could not be executed or displayed pursuant to Rule 201 of Regulation SHO will be re-priced by the System to prevent execution or display at or below the current NBB (such entire process called the “short sale price sliding process”). Any EDGX Only order subject to such re-pricing by the System will be re-priced to display at one MPV above the current NBB (“Permitted Price”). Following the initial adjustment provided for in this paragraph (B), the EDGX Only Order will, to reflect declines in the NBB, continue to be re-priced at the lowest Permitted Price down to the order’s original limit price, or if a market order, until the order is filled. The order will receive a new timestamp each time it is re-priced.

(C) Alternatively, following the initial adjustment provided for in paragraph (B), the EDGX Only Order may, in accordance with the User’s

instructions, provided that in all cases the display or execution of such lower prices does not violate Rule 201 of Regulation SHO: (i) be re-priced one additional time to a price that is above the current NBB but equal to the NBB at the time the EDGX Only Order was received and receive a new timestamp; or (ii) not be adjusted further.

(D) In the event the NBB changes such that the price of a Non-Displayed Order subject to short sale price sliding would lock or cross the NBB, the Non-Displayed Order will receive a new timestamp, and will be re-priced by the System to a Permitted Price .

(E) EDGX Only Orders marked “short exempt” shall not be subject to the short sale price sliding process.

(5) Post Only Order. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.8 and Rule 11.9(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book absent an order instruction to the contrary. A EDGX Post Only Order will be subject to the displayed price sliding process and short sale price sliding process unless a User has entered instructions not to use the either or both processes as set forth in paragraph (c)(4) above.

(6) Pegged Order. A limit order whose price is automatically adjusted by the System in response to changes in the NBBO. A User entering a Pegged Order can specify that order’s price will either be at or inferior to the NBBO by an amount set by the User. If a Pegged Order displayed on the Exchange would lock the market, the price of the order will be automatically adjusted by the System to one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers). A new timestamp is created for the order each time it is automatically adjusted. Pegged Orders are not eligible for routing pursuant to Rule 11.9(b)(1).

(7) Mid-Point Match (“MPM”) Order. An order with an instruction to execute it at the midpoint of the NBBO. An MPM order may be a Day Order, Fill-or-Kill Order, or IOC Order. A new timestamp is created for the order each time it is automatically adjusted. MPM orders are not eligible for routing pursuant to Rule 11.9(b)(1) and are not displayed on the Exchange.

Pursuant to Rule 11.9(a)(3), MPM Orders will not trade with any other orders when the midpoint of the NBBO is below the Lower Price Band or above the Upper Price Band. MPM Orders will continue to execute at the midpoint of the NBBO as long as the execution price is between the Lower and Upper Price Bands.

(8) Non-Displayed Order. A market or limit order that is not displayed on the Exchange. A Non-Displayed Order is ranked based on the specified limit price and time of order entry in accordance with Rule 11.8(a)(2) and is available for potential execution against incoming marketable orders in accordance with Rule 11.9(a)(4)(A)-(B). The System shall not accept a Non-Displayed Order that is priced better than midpoint of the NBBO.

(9) Destination Specific Order. A market or limit order that instructs the System to route the order to a specified away trading center or centers, after exposing the order to the EDGX Book. Destination Specific Orders that are not executed in full after routing away are processed by the Exchange as described below in Rule 11.9(a)(4), save where the User has provided instructions that the order reside on the book of the relevant away trading center.

(10) Destination-on-Open Order. A market or limit order that instructs the System to route the order to a specified away trading center to participate in said trading center's opening process, without being processed by the System as described below in Rule 11.9(a)(4), and which after participating in such opening process will be returned to the EDGX Book for execution and/or display, to the extent unfilled.

(11) Stop Order. A stop order is an order that becomes a market order when the stop price is elected. A stop order to buy is elected when the security trades at, or above, the specified stop price. A stop order to sell is elected when the security trades on the Exchange at, or below, the specified stop price.

(12) Stop Limit Order. A stop limit order is an order that becomes a limit order when the stop price is elected. A stop limit order to buy is elected when the security trades at, or above, the specified stop price. A stop limit order to sell becomes a sell limit order when the security trades at, or below, the specified stop price.

(13) Discretionary Order. Orders to buy or sell a stated amount of a security at a specified, undisplayed price (the "discretionary price"), as well as at a specified, displayed price ("displayed price").

(14) Reserved.

(15) NBBO Offset Peg Order. An NBBO Offset Peg Order is a limit order that, upon entry, is automatically priced by the System at the Designated Percentage (as defined in Rule 11.21(d)(2)(D)) away from the then current NBB (in the case of an order to buy) or NBO (in the case of an order to sell), or if there is no NBB or NBO at such

time, at the Designated Percentage away from the last reported sale from the responsible single plan processor. Users may submit NBBO Offset Peg Orders to the Exchange starting at the beginning of the Pre-Opening Session, but the order is not executable or automatically priced until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor and expires at the end of Regular Trading Hours. Upon reaching the Defined Limit (as defined in Rule 11.21(d)(2)(F)), the price of an NBBO Offset Peg Order bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB or NBO, respectively, or if there is no NBB or NBO at such time, to the Designated Percentage away from the last reported sale from the responsible single plan processor. If an NBBO Offset Peg Order bid or offer moves a specified number of percentage points away from the Designated Percentage toward the then current NBB or NBO, the price of such bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB and NBO. If there is no NBB or NBO at such time, the order will be automatically adjusted by the System to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that pricing an NBBO Offset Peg Order at the Designated Percentage away from the then current NBB or NBO, or, if there is no NBB or NBO, to the Designated Percentage away from the last reported sale from the responsible single plan processor, would result in the order exceeding its limit price, the order will be cancelled or rejected. In the absence of an NBB or NBO and last reported sale, the order will be cancelled or rejected. If, after entry, the NBBO Offset Peg Order is priced based on the consolidated last sale and such NBBO Offset Peg Order is established as the NBB or NBO, the NBBO Offset Peg Order will not be subsequently adjusted in accordance with this rule until either there is a new consolidated last sale, or a new NBB or new NBO is established by a national securities exchange. NBBO Offset Peg Orders are not eligible for routing pursuant to Rule 11.9(b)(2) and are always displayed on the Exchange. Notwithstanding the availability of the NBBO Offset Peg Order functionality, a User acting as a Market Maker remains responsible for entering, monitoring, and re-submitting, as applicable, quotations that meet the requirements of Rule 11.21(d). A new timestamp is created for the order each time that it is automatically adjusted.

(16) Reserved.

(17) Route Peg Order. A non-displayed limit order that posts to the EDGX Book, and thereafter is eligible for execution at the NBB for buy orders and NBO for sell orders against routable orders that are equal to or less than the aggregate size of the Route Peg Order interest available at that price. Route Peg Orders are passive, resting orders on the EDGX Book and do not take liquidity. A User may specify a minimum execution quantity for a Route Peg Order. A minimum execution quantity instruction on a Route Peg order will no longer apply where the number of shares remaining after a partial execution are less than the minimum execution quantity. Route Peg Orders may be entered, cancelled, and cancelled/replaced prior to and during Regular Trading Hours. Route Peg Orders are eligible for execution in a given security during Regular Trading Hours, except that, even after the commencement of Regular Trading Hours, Route Peg

Orders are not eligible for execution (1) in the opening cross, and (2) until such time that regular session orders in that security can be posted to the EDGX Book. A Route Peg Order does not execute at a price that is inferior to a Protected Quotation, and is not be permitted to execute if the NBBO is locked or crossed. Any and all remaining, unexecuted Route Peg Orders are cancelled at the conclusion of Regular Trading Hours.

(18) **Attributable Order.** An order that is designated for display (price and size) including the Member's market participant identifier ("MPID").

(19) **Non-Attributable Order.** An order that is designated for display (price and size) on an anonymous basis by the Exchange.

(d) **Intermarket Sweep Orders.**

(1) The System will accept incoming Intermarket Sweep Orders ("ISO") (as such term is defined in Regulation NMS). In order to be eligible for treatment as an Intermarket Sweep Order, the limit order must be marked "ISO" and the User entering the order must simultaneously route one or more additional limit orders marked "ISO," as necessary, to away markets to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the Intermarket Sweep Order entered in the System. Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the System without regard to Protected Quotations at away markets consistent with Regulation NMS (i.e., may trade through such quotations). The Exchange relies on the marking of an order as an ISO order when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Intermarket Sweep Orders. ISOs are not eligible for routing pursuant to Rule 11.9(b)(1).

(2) The term "Directed Intermarket Sweep Order" ("Directed ISO") shall mean, for any order so designated, an ISO entered by a User that bypasses the System and is immediately routed by the Exchange to an away trading center specified by the User for execution. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Intermarket Sweep Orders.

(e) **Cancel/Replace Messages.** A User may, by appropriate entry in the System, cancel or replace an existing order entered by the User, subject to the following limitations.

(1) Orders may only be cancelled or replaced if the order has a time-in-force term other than IOC and if the order has not yet been executed.

(2) If an order has been routed to another trading center, the order will be placed in a “Pending” state until the routing process is completed. Executions that are completed when the order is in the “Pending” state will be processed normally.

(3) Only the price and quantity terms of the order may be changed by a Replace Message (including changing a limit order to a market order). If a User desires to change any other terms of an existing order the existing order must be cancelled and a new order must be entered.

(4) Notwithstanding anything to the contrary in these Exchange Rules, no cancellation or replacement of an order will be effective until such message has been received and processed by the System.]

#### Rule 11.6. [Units of Trading]Definitions

[One hundred (100) shares shall constitute a “round lot,” any amount less than 100 shares shall constitute an “odd lot,” and any amount greater than 100 shares that is not a multiple of a round lot shall constitute a “mixed lot”.]

For purposes of this Chapter XI, the following definitions shall apply:

(a) Attributable. An instruction to designate an order for display (price and size) on the EDGX Book Feed that includes the Member’s market participant identifier (“MPID”).

(1) Non-Attributable. Unless the User elects otherwise, all orders will be automatically defaulted by the System to Non-Attributable, and displayed (price and size) on the EDGX Book Feed on an anonymous basis by the System.

(2) A User may elect an order be Attributable on an order-by-order basis or instruct the Exchange to default all its orders as Attributable on a port-by-port basis. However, if a Member instructs the Exchange to default all its orders as Attributable on a particular port, it will not be able to designate any order from that port as Non-Attributable.

(b) Cancel Back. An instruction the User may attach to an order instructing the System to immediately cancel the order when, if displayed by the System on the EDGX Book at the time of entry, or upon return to the System after being routed away, would create a violation of Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO, or the order cannot otherwise be executed upon entry or posted by the System to the EDGX Book at its limit price.

(c) Crossing Quotation. The display of a bid (offer) for an NMS stock at a price that is higher (lower) than the price of an offer (bid) for such NMS stock previously

disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.

(d) Discretionary Range. An instruction the User may attach to an order to buy (sell) a stated amount of a security at a specified, displayed price with discretion to execute up (down) to a specified, non-displayed price. The Discretionary Range of an order to buy (sell) cannot be more than \$0.99 higher (lower) than the order's displayed price. An order with a Discretionary Range instruction resting on the EDGX Book will execute at its least aggressive price when matched for execution against an incoming order that also contains Discretionary Range instruction, as permitted by the terms of both the incoming and resting order.

(e) Display Options

(1) Displayed. An instruction the User may attach to an order stating that the order is to be displayed by the System on the EDGX Book. Unless the User elects otherwise, all orders eligible to be displayed on the EDGX Book will be automatically defaulted by the System to Displayed.

(2) Non-Displayed. An instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGX Book.

(f) Locking Price. The price at which an order to buy (sell), that if displayed by the System on the EDGX Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.

(g) Locking Quotation. The display of a bid for an NMS stock at a price that equals the price of an 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 at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.

(h) Minimum Execution Quantity. An instruction a User may attach to an order with a Non-Displayed instruction requiring the System to execute the order only to the extent that a minimum quantity can be satisfied by execution against a single order or multiple aggregated orders simultaneously. An order with a Minimum Execution Quantity instruction may be partially executed so long as the execution size is equal to or exceeds the quantity provided in the instruction. Unless the User elects otherwise, any shares remaining after a partial execution will continue to be executed at a size that is equal to or exceeds the quantity provided in the instruction. The Minimum Execution Quantity would no longer apply to an order where the number of shares remaining after a partial execution are less than the quantity provided in the instruction.

(i) Minimum Price Variation. Bids, offers, or orders in securities traded on the Exchange shall not be made in an increment smaller than: (i) \$0.01 if those bids, offers,

or orders are priced equal to or greater than \$1.00 per share; or (ii) \$0.0001 if those bids, offers, or orders are priced less than \$1.00 per share; or (iii) any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of SEC Rule 612(a) or 612(b) of Regulation NMS.

(j) Pegged. An instruction to automatically re-price an order in response to changes in the NBBO. For purposes of the Pegged instruction, the System's calculation of the NBBO does not take into account any orders with Pegged instructions that are resting on the EDGX Book. A User selecting a Pegged instruction can specify that the order's price will peg to the NBB or NBO or a certain amount away from the NBB or NBO (offset). An order with a Pegged instruction will be cancelled if an NBB or NBO is no longer available. Orders with a Pegged instruction are not eligible for routing pursuant to Rule 11.11. A new time stamp is created for the order each time it is automatically re-priced.

(1) Market Peg. An order with instructions to peg to the NBB, for a sell order, or the NBO, for a buy order. An order that is to be displayed on the EDGX Book must select an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. If a User does not select an offset, the System will automatically include an offset on an order to buy (sell) that is equal to one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. For an order with a Pegged instruction and Non-Displayed instruction, a User may, but is not required to, select an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to.

(2) Primary Peg. An order with instructions to peg to the NBB, for a buy order, or the NBO, for a sell order. A User may, but is not required to, select an offset equal to or greater than one Minimum Price Variation above or below the NBB or NBO that the order is pegged to. An order with a Primary Peg instruction will be eligible to join the Exchange NBBO when the EDGX Book is locked or crossed by another market. If an order with a Primary Peg instruction would create a Locking Quotation or Crossing Quotation, the price of the order will be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers).

(3) An order with a Pegged and Non-Displayed instruction that includes an offset which will cause the order to be priced more aggressive than the midpoint of the NBBO will be ranked at the midpoint of the NBBO pursuant to the re-pricing instruction under Rule 11.6(1)(3) with discretion to execute to the price established by the offset, or the NBB (NBO) where the offset for an order to sell (buy) is equal to or exceeds the NBB (NBO).

(k) Permitted Price. The price at which a sell order will be priced, ranked and displayed at one Minimum Price Variation above the NBB.

(l) Re-Pricing.

(1) Re-Pricing Instructions to Comply with Rule 610(d) of Regulation NMS

(A) Price Adjust. An order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed and ranked at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell). The order will be displayed and ranked at the Locking Price if: the NBBO changes such that the order, if displayed at the Locking Price would not be a Locking Quotation or Crossing Quotation, including when an Intermarket Sweep Order (“ISO”) with a time-in-force (“TIF”) instruction of Day is entered into the System and displayed on the EDGX Book on the same side of the market as the order at a price that is equal to or more aggressive than the Locking Price. The order would not be subject to further re-ranking and will be displayed on the EDGX Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp at the time it is re-ranked. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed pursuant to the Price Adjust instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(B) Hide Not Slide. An order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell), will be ranked at the mid-point of the NBBO with discretion to execute at the Locking Price; provided, however, that if a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book, the order will be ranked at the mid-point of the NBBO but its discretion to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGX Book that equals the Locking Price. Where the NBBO changes such that the order, if displayed by the System on the EDGX Book at the Locking Price, would not be a Locking Quotation or Crossing Quotation, the System will rank and display such orders at the Locking Price. The order will not be subject to further re-ranking and will be displayed on the EDGX Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp when it is ranked at the Locking Price. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Hide Not Slide instruction and the Routed and Returned Re-Pricing instruction, described below, will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(i) Routed and Returned Re-Pricing. An instruction requiring that where a Limit Order that is returned to the EDGX Book after being routed to an away Trading Center would be displayed by the System on the EDGX Book at a price that would be a Locking Quotation or Crossing Quotation will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell), will be ranked at the mid-point of the NBBO with discretion to execute at the Locking Price; provided, however, that if a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book, the order will be ranked at the mid-point of the NBBO but its discretion to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGX Book that equals the Locking Price. Each time the NBBO is updated, a buy (sell) order subject to Routed and Returned Re-Pricing instruction will be further adjusted so that it continues to be displayed by the System on the EDGX Book at one Minimum Price Variation below (above) the NBO (NBB) and will be ranked at the updated midpoint of the NBBO with discretion to execute at the Locking Price until the price of such order reaches its limit price, at which point it will remain on the EDGX Book at that price and cease to be further adjusted by Routed and Returned Re-Pricing instruction. The order will receive a new time stamp when it is returned to the EDGX Book and each time it is subsequently re-ranked. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed pursuant to the Routed and Returned Re-Pricing instruction and Hide Not Slide instruction will retain their priority as compared to each other at the same price based upon the time such orders were initially received by the System or upon return to the System after being routed away.

(2) Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO.

The below Re-Pricing instructions are only available for an order to sell with a Short Sale instruction that cannot be displayed by the System on the EDGX Book or executed at its limit price at the time of entry into the System because a short sale price restriction is in effect pursuant to Rule 201 of Regulation SHO (“Short Sale Circuit Breaker”). The re-pricing instructions to comply with Rule 610(d) of Regulation NMS described above will be ignored for an order to sell with a Short Sale instruction when a Short Sale Circuit Breaker is in effect and the below re-pricing instructions to comply with Rule 201 of Regulation SHO will apply. Orders to sell with a Short Sale instruction that also include a Short Exempt instruction shall not be subject to the re-pricing options to comply with Rule 201 of Regulation SHO.

(A) Short Sale Price Adjust. The System will cause an order to sell with a Short Sale instruction to be ranked and displayed by the System on the EDGX Book at the Permitted Price. Following the initial ranking provided for in

this subparagraph, the order to sell with a Short Sale instruction will, to the extent the NBB declines, continue to be re-ranked and displayed by the System on the EDGX Book at the Permitted Price down to the order's limit price. The order to sell with a Short Sale instruction will receive a new time stamp each time it is re-ranked. All orders that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Short Sale Price Adjust instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(B) Short Sale Price Sliding. The System will cause an order with a Short Sale instruction to be displayed by the System on the EDGX Book at the Permitted Price and ranked at the mid-point of the NBBO. Following the initial ranking provided for in this subparagraph, the order will, to the extent the NBB declines, be re-ranked and displayed by the System on the EDGX Book one additional time at a price that is above the new NBB but equal to the NBB at the time the order was received by the System and receive a new time stamp. All orders to sell with Short Sale instructions that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Short Sale Price Sliding instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(3) Re-Pricing of Non-Displayed Orders Priced Better than the Mid-Point of the NBBO

An order with a Non-Displayed instruction and that is priced better than the midpoint of the NBBO will be ranked at the midpoint of the NBBO with discretion to execute to its limit price. A User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back when the order's limit price is greater (less) than the NBO (NBB). The price of the order is automatically re-ranked by the System in response to changes in the NBBO until it reaches its limit price. A new time stamp is created for the order each time the midpoint of the NBBO changes. Pursuant to Rule 11.9, all orders with a Non-Displayed instruction that are re-ranked to the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were ranked at the midpoint of the NBBO.

(m) Reserve Quantity. The portion of an order that includes a Non-Displayed instruction in which a portion of that order is also displayed on the EDGX Book. Both the portion of the order with a Displayed instruction and the Reserve Quantity are available for execution against incoming orders.

(1) Replenishment Amounts. If the portion of the order with a Displayed instruction is reduced to less than a Round Lot, the System will, in accordance with the User's instruction, replenish the displayed quantity from the Reserve Quantity by at least a single Round-Lot using one of the below replenishment instructions. A new time stamp

is created for the displayed quantity of the order each time it is replenished from the Reserve Quantity, while the Reserve Quantity retains the time stamp of its original entry. Where the combined amount of the displayed quantity and Reserve Quantity of an order are reduced to less than one Round Lot, the order convert to an order with a Displayed instruction and be treated as Displayed for purposes of execution priority under Rule 11.9.

(A) Random Replenishment. An instruction a User may attach to the Reserve Quantity of an order where both the actual quantity of the order that will be initially displayed by the System on the EDGX Book and subsequent displayed replenishment quantities are randomly determined by the System within a replenishment range established by the User. In particular, the User entering an Order into the System subject to the Random Replenishment instruction must select a quantity around which the replenishment range is established and a replenishment value. The actual quantity that will be initially displayed, as well as subsequent displayed replenishment quantities, will then be determined by the System randomly selecting a number of shares in Round Lots within a replenishment range that is between: (i) the quantity around which the replenishment range is established minus the replenishment value; and (ii) the quantity around which the replenishment range is established plus the replenishment value. In no case can the displayed replenishment quantity exceed the remaining Reserve Quantity of the order. The displayed replenishment quantity may not be less than a single Round Lot or greater than the remaining unexecuted shares in the order.

(B) Fixed Replenishment. An instruction a User may attach to the Reserve Quantity of an order where the displayed quantity of an order is replenished for a Fixed Replenishment quantity as designated by the User. The Fixed Replenishment quantity for the order equals the initial displayed quantity designated by the User. The displayed replenishment quantity may not be less than a single Round Lot or greater than the remaining unexecuted shares in the order.

(n) Routing/Posting Instructions

(1) Aggressive. An order instruction that directs the System to route the order if an away Trading Center crosses the limit price of the order resting on the EDGX Book.

(2) Super Aggressive. An order instruction that directs the System to route the order if an away Trading Center locks or crosses the limit price of the order resting on the EDGX Book.

(3) Book Only. An order instruction stating that an order will be matched against an order on the EDGX Book or posted to the EDGX Book, but will not route to an away Trading Center.

(4) Post Only. An instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book, except as described below. An order with a Post Only instruction and a Hide Not Slide or Price Adjust instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below \$1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange.

(5) Destination Specified. A User may instruct the System to route the order to a specified away Trading Center or centers, after exposing the order to the EDGX Book. Such orders that are not executed in full after routing away are processed by the Exchange as described in Rule 11.10(a)(4), unless the User has provided instructions that the order reside on the book of the relevant away Trading Center.

(6) Destination-on-Open. A User may instruct the System to route the order to a specified away Trading Center to participate in said Trading Center's opening process, without being processed by the System as described below in Rule 11.10(a)(4), and which after participating in such opening process will be returned to the EDGX Book for cancellation, execution, display, or routing pursuant to Rule 11.11 to the extent unfilled.

(o) Short Sale. An instruction on an order which shall have the same meaning as defined in Rule 200(a) of Regulation SHO.

(p) Short Exempt. An instruction on an order with a Short Sale instruction that satisfies the requirements set forth in Rule 201 of Regulation SHO.

(q) Time-in-Force ("TIF").

(1) Immediate-or-Cancel ("IOC"). An instruction the User may attach to an order stating the order 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.

(2) Day. An instruction the User may attach to an order stating that an order to buy or sell which, if not executed, expires at the end of the specified trading session. Any order with a Day instruction entered into the System before the start of the specified

trading session will be placed by the System in a pending state and activated for potential execution upon the start of that trading session.

(3) Fill-or-Kill (“FOK”). An instruction the User may attach to an order stating that the order is to be executed in its entirety as soon as it is received and, if not so executed, cancelled.

(4) Good-‘til Time (“GTT”). An instruction the User may attach to an order specifying the time of day at which the order expires. Any unexecuted portion of an order with a TIF instruction of GTT will be cancelled at: (i) the expiration of the User’s specified time; (ii) at the end of the User’s specified trading session(s); or (iii) the end of the trading day, as instructed by the User. In no event shall an order with a TIF instruction of GTT be eligible for execution over multiple trading days.

(r) Trading Center. Other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers.

(s) Units of Trading.

(1) Round Lot. One hundred (100) shares or any multiple thereof shall constitute a Round Lot, unless an alternative number of shares is established as a Round Lot by the listing exchange for the security. Orders that are a Round Lot are eligible to be Protected Quotations.

(2) Odd Lot. Any amount less than a Round Lot. Orders of Odd Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot.

(3) Mixed Lot. Any amount greater than a Round Lot that is not an integer multiple of a Round Lot shall constitute a Mixed Lot. Odd Lot portions of orders of Mixed Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot.

#### 11.7. [Price Variations]Opening Process

[(a) Bids, offers, orders or indications of interests in securities traded on the Exchange shall not be made in an increment smaller than:

- (1) \$0.01 if those bids, offers or indications of interests are priced equal to or greater than \$1.00 per share; or
- (2) \$0.0001 if those bids, offers or indications of interests are priced less than \$1.00 per share and the security is an NMS stock pursuant to Commission Rule 600(b)(46) and is trading on the Exchange; or
- (3) Any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of Commission Rule 612(a) or 612(b).]

(a) Order Entry and Cancellation before the Opening Process. Prior to the beginning of the Regular Session, Users who wish to participate in the Opening Process may enter orders to buy or sell. Orders cancelled before the Opening Process will not participate in the Opening Process.

(1) All orders with a TIF instruction of IOC or FOK may execute against eligible Pre-Opening Session contra-side interest resting in the EDGX Book in the time period between the start of 9:30 a.m. Eastern Time and the Exchange's Opening Process, as described in section (b), below;

(2) All orders may participate in the Opening Process except: orders with a Stop Price or Stop Limit Price instruction; Limit Orders with a Post Only, FOK, or IOC instruction, and Intermarket Sweep Orders. Limit Orders with a Reserve Quantity may participate to the full extent of their displayed size and Reserve Quantity. Limit Orders with a Discretionary Range may participate up to their discretionary limit price for buy orders or down to their discretionary limit price for sell orders. All Limit Orders with a Pegged instruction, as defined in Rule 11.6(i), will be eligible for execution in the Opening Process based on their pegged prices.

(3) The Exchange will open by attempting to execute all orders eligible for the Opening Process.

(b) Performing the Opening Process. The Exchange will attempt to perform the Opening Process, in which the Exchange matches buy and sell orders that are executable at the midpoint of the NBBO as described in paragraph (c) below. Notwithstanding Rule 11.9(a)(2)(B), all orders eligible to trade at the midpoint will be processed in time sequence, beginning with the order with the oldest time stamp. Matches will occur until there is no remaining volume or there is an imbalance of orders. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders may, in whole or in part, be placed on the EDGX Book, canceled, executed, or routed to other away Trading Centers in accordance with Rule 11.11. If no matches can be made, the Opening Process will conclude with all orders that participated in the Opening Process being placed in the EDGX Book, cancelled, executed, or routed to away Trading Centers in accordance with Rule 11.11.

(c) Determining the price of the Opening Process. The price of the Opening Process will be at the midpoint of the NBBO.

(1) When the listing exchange is either the NYSE or NYSE MKT, the Opening Process will be priced at the midpoint of the: (i) first NBBO subsequent to the first reported trade on the listing exchange after 9:30:00 a.m. Eastern Time; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange after 9:30:00 a.m. Eastern Time, but before 9:45:00 a.m. Eastern Time if no first trade is

reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

(2) For any other listing market, the Opening Process will be priced at the midpoint of the first NBBO disseminated after 9:30:00 a.m. Eastern Time.

(d) Contingent Open. If the conditions to establish the price of the Opening Process set forth under proposed Rule 11.7(c) do not occur by 9:45:00 a.m. Eastern Time, orders will be placed on the EDGX Book, routed, cancelled, or executed in accordance with the terms of the order. Notwithstanding the occurrence of a Contingent Open, MidPoint Match Orders, as defined in Rule 11.8(d), will not be eligible for execution until the conditions set forth under paragraph (c) above for determining the price of the Opening Process have been met.

(e) Re-openings. Re-openings will occur at the midpoint of the: (i) first NBBO subsequent to the first reported trade on the listing exchange following the resumption of trading after a halt, suspension, or pause; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

#### Rule 11.8. Order Types

Users may enter into the System the types of orders listed in this Rule 11.8, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO or better when the order reaches the Exchange.

(1) Stop Price. An order may include a Stop Price which will convert the order into a Market Order when the Stop Price is triggered. An order to buy converts to a Market Order when the consolidated last sale in the security occurs at, or above, the specified Stop Price. An order to sell converts into a Market Order when the consolidated last sale in the security occurs at, or below, the specified Stop Price.

(2) Time-In-Force. Unless otherwise instructed by the User, the System will automatically default a Market Order to a TIF instruction of Day. A User may instead select TIF instructions of IOC or FOK for a Market Order. A Market Order that includes a TIF instruction of FOK will be cancelled if not executed in full immediately after entry into the System. If a Market Order includes a TIF instruction of IOC, any portion of the Market Order not executed upon return to the System after being routed to an away Trading Center will be cancelled.

(3) Size. Market Orders may be an Odd Lot, Round Lot, or Mixed Lot. A User may attach a Minimum Execution Quantity instruction to a Market Order with a TIF instruction of IOC.

(4) Display. Under Rule 11.10(a)(3)(A), where a non-routable buy (sell) Market Order is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, such order will be posted by the System to the EDGX Book and priced at the Upper (Lower) Price Band, unless (i) the order includes a TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User entered a Cancel Back instruction. A Market Order that includes both a TIF instruction of Day and a Short Sale instruction that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted and displayed by the System to the EDGX Book and priced in accordance with the Short Sale Re-Price instruction described in Rule 11.6(1)(2).

(5) Session. A Market Order is only eligible for execution by the System during the Regular Session.

(6) Routing. A Market Order may include a Book Only instruction. A Market Order that does not include a Book Only instruction, or a TIF instruction of IOC or FOK and cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing to a Trading Center pursuant to Rule 11.11.

(7) Execution. A Market Order shall not trade through a Protected Quotation. A Market Order with a Book Only instruction will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.10. Except with respect to a Market Order with a Destination-on-Open instruction, any portion of a Market Order that would execute at a price more than the greater of \$0.50 or 5 percent worse than the consolidated last sale as published by the responsible single plan processor at the time the order is entered into the System will be cancelled.

(b) 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 lowest (highest) Protected Offer (Protected Bid) for the security.

(1) Stop Limit Price. An order may contain a Stop Limit Price which will convert to a Limit Order once the Stop Limit Price is triggered. A Limit Order to buy with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or above, the specified Stop Price. A Limit Order to sell with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or below, the specified Stop Limit Price.

(2) Time-in-Force. A Limit Order must have one of the following TIF instructions: IOC, FOK, Day or GTT. Unless otherwise instructed by the User, the System will automatically default a Limit Order to a TIF instruction of Day.

(3) Size. A Limit Order may be an Odd Lot, Round Lot or Mixed Lot. A User may include a Minimum Execution Quantity instruction for a Limit Order with a Non-Displayed instruction.

(4) Display. A Limit Order will default to a Displayed instruction unless the User includes a Non-Displayed instruction on the order, or a portion thereof. A Limit Order with a Displayed instruction will default to a Non-Attributable instruction, unless the User selects the Attributable instruction.

(5) Reserve. A Limit Order with a Displayed instruction may include a Reserve Quantity. A Limit Order with both a Displayed instruction and Reserve Quantity must include a replenishment amount. Unless the User selects the Random Replenishment instruction, the System will automatically default the order to the Fixed Replenishment instruction with a replenishment value equal to the displayed quantity of the order.

(6) Session. A Limit Order can be eligible for execution during the Pre-Opening Session, Regular Session and the Post-Closing Session.

(7) Routing/Posting. A Limit Order may include a Post Only or Book Only instruction. Unless a Limit Order includes a Post Only or Book Only instruction, a marketable Limit Order will be eligible to be routed to a Trading Center pursuant to Rule 11.11. A routable Limit Order may include a Destination Specified, or Destination-On-Open instruction. A Limit Order which is routable under Rule 11.11 may also include an Aggressive or Super Aggressive instruction.

The following functionality described in paragraphs (8) – (11) below is available for Limit Orders that include a Post Only or Book Only instruction or TIF instruction of Day or GTT.

(8) Discretionary Range. A User may include a Discretionary Range instruction.

(9) Pegged. A User may indicate that the order include a Pegged instruction (i.e., Market Peg or Primary Peg). A Limit Order that includes a Pegged instruction is not eligible to be routed to another Trading Center in accordance with Rule 11.11.

(10) Re-Pricing Instructions to Comply with Rule 610 of Regulation NMS. A Limit Order that, if displayed at its limit price at the time of entry into the System, would become a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Price Adjust instruction, unless the User affirmatively elects to have the

order immediately Cancel Back or affirmatively elects the Hide Not Slide instruction. A Limit Order to buy (sell) with a limit price that would be a Crossing Quotation at the time of entry into the System will not execute at a price that is higher (lower) than the Locking Price.

(11) Re-Pricing Instruction to Comply with Rule 201 of Regulation SHO. A Limit Order that includes a Short Sale instruction that is not marked Short Exempt, and that cannot be executed in the System or displayed by the System on the EDGX Book at its limit price at the time of entry into the System because a Short Sale Circuit Breaker is in effect, will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Short Sale Price Sliding instruction.

(12) Re-Pricing of Routed and Returned Orders. A Limit Order, or a portion thereof, that is returned to the Exchange after being routed away in accordance with Rule 11.11, that, if displayed at its limit price at the time of entry into the System, would be a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Routed and Returned Re-Pricing instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Price Adjust instruction, or the Hide Not Slide instruction.

(13) Re-Pricing of Non-Displayed Limit Orders. A Limit Order with a Non-Displayed instruction that is priced better than the midpoint of the NBBO will be re-priced in accordance with the Re-Pricing of orders with a Non-Displayed instruction process under proposed Rule 11.6(1)(3). Under Rule 11.6(1)(3), a User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back when the order's limit price is greater (less) than the NBO (NBB).

(c) Intermarket Sweep Order ("ISO"). The System will accept ISOs (as such term is defined in Regulation NMS). To be eligible for treatment as an ISO, the order must be: (i) a Limit Order; (ii) marked "ISO"; and (iii) the User entering the order must simultaneously route one or more additional Limit Orders marked "ISO," if necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the ISO entered in the System. Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the System without regard to Protected Quotations at away Trading Centers consistent with Regulation NMS (i.e., may trade through such quotations).

The Exchange relies on the marking of an order as an ISO when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs. ISOs are not eligible for routing pursuant to Rule 11.11.

(1) Time-in-Force. Incoming ISOs will have a TIF instruction of Day unless the User selects a TIF instruction of GTT or IOC. Incoming ISOs cannot include a TIF instruction of FOK. An incoming ISO with a Post Only and TIF instruction of GTT or Day will be canceled without execution if, when entered, it is immediately marketable against an order with a Displayed instruction resting in the EDGX Book unless the User included on the ISO a Price Adjust instruction, or the Hide Not Slide instruction.

A User entering an incoming ISO with TIF instruction of Day represents that such User has simultaneously routed one or more additional Limit Orders marked "ISO," if necessary, to away Trading Center to execute against the full displayed size of any Protected Quotation for the security with a price that is superior or equal to the limit price of the ISO entered in the System.

(2) Size. Incoming ISOs may be an Odd Lot, Round Lot, or Mixed Lot. A User may include a Minimum Execution Quantity instruction for an incoming ISO with an IOC instruction.

(3) Display. Any unfilled portion of an incoming ISO with a GTT or Day instruction will be posted by the System to the EDGX Book at the entered limit price.

(4) Session. Incoming ISOs may be submitted during the Pre-Opening Session, Regular Session and the Post-Closing Session.

(5) Re-Pricing Instructions. An incoming ISO that includes a Post Only and TIF instruction of GTT or Day may be displayed at prices equal to or more aggressive than the Locking Price. However, if the System is displaying orders on the EDGX Book at prices equal to the NBB or NBO on the contra-side of the ISO at the time of the ISO's entry in the System, the System will immediately Cancel Back the ISO, unless the User included on the ISO a Price Adjust instruction, or the Hide Not Slide instruction.

(6) Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO. An incoming ISO combined with a TIF instruction of GTT or Day, and a Short Sale instruction that does not include a Short Exempt instruction and that cannot be executed or displayed at its limit price at the time of entry into the System because of the existence of a Short Sale Circuit Breaker, will be automatically defaulted by the System to the Short Sale Price Adjust instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Short Sale Price Sliding instruction.

(7) Routing/Directed ISO – Outbound ISOs. An ISO entered by a User that bypasses the System and is immediately routed by the Exchange to an away Trading Center specified by the User for execution. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs. Paragraphs (1) – (6) above do not apply to Outbound ISOs under this paragraph.

(d) MidPoint Match (“MPM”) Order. A non-displayed Market Order or Limit Order with an instruction to execute at the midpoint of the NBBO. Notwithstanding that an MPM Order may be a Market Order or a Limit Order, its operation and available modifiers are limited to this Rule 11.8(d). An MPM Order that is entered with a limit price will have its ability to execute at the mid-point of the NBBO bound by such limit price.

(1) Time-in-Force. An MPM Limit Order may only contain the following TIF instructions: Day, FOK, IOC, or GTT. Any unexecuted portion of an MPM Limit Order with a TIF instruction of Day or GTT that is resting on the EDGX Book will receive a new time stamp each time it is re-priced in response to changes in the midpoint of the NBBO.

(2) Size. MPM Orders may be entered as a Round Lot or Mixed Lot only. A User may include a Minimum Execution Quantity instruction.

(3) Display. MPM Orders are defaulted by the System to a Non-Displayed instruction. MPM Orders are not eligible to include a Displayed instruction.

(4) Session. MPM Orders may only be executed during the Regular Session. MPM Orders may also be submitted to be executed during the Opening Process described in Rule 11.7(c). In the event of a Contingent Open as described in Rule 11.7(d), an MPM Order will not be eligible to trade during Regular Session until the conditions set forth under Rule 11.7(c) for determining the price of the Opening Process have been met.

(5) Routing/Posting. MPM Orders are not eligible for routing pursuant to Rule 11.11.

(6) Locked or Crossed Market. An MPM Order is not eligible for execution when a Locking Quotation or Crossing Quotation exists. In such case, an MPM Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists. The MPM order will receive a new time stamp when a Locking Quotation or Crossing Quotation no longer exists and a new midpoint of the NBBO is established. In such case, pursuant to Rule 11.9, all MPM orders that are re-ranked at the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(7) Limit-Up/Limit Down. Pursuant to Rule 11.10(a)(3), MPM Orders will not trade with any other orders when the midpoint of the NBBO is below the Lower Price Band or above the Upper Price Band. MPM Orders will continue to execute at the midpoint of the NBBO as long as the execution price is between the Lower and Upper Price Bands.

(e) NBBO Offset Peg Order. A Limit Order that, upon entry, is automatically priced by the System at the Designated Percentage (as defined in Rule 11.20(d)(2)(D)) away from the then current NBB (in the case of an order to buy) or NBO (in the case of an order to sell), or if there is no NBB or NBO at such time, at the Designated Percentage away from the last reported sale from the responsible single plan processor. Notwithstanding that a NBBO Offset Peg Order is also considered a Limit Order, its operation and available modifiers are limited to this Rule 11.8(e).

(1) Price Adjustments. Upon reaching the Defined Limit (as defined in Rule 11.20(d)(2)(F)), the price of an NBBO Offset Peg Order bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB or NBO, respectively, or if there is no NBB or NBO at such time, to the Designated Percentage away from the last reported sale from the responsible single plan processor. If an NBBO Offset Peg Order bid or offer moves a specified number of percentage points away from the Designated Percentage toward the then current NBB or NBO, the price of such bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB and NBO. If there is no NBB or NBO at such time, the order will be automatically adjusted by the System to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that pricing an NBBO Offset Peg Order at the Designated Percentage away from the then current NBB or NBO, or, if there is no NBB or NBO, to the Designated Percentage away from the last reported sale from the responsible single plan processor, would result in the order exceeding its limit price, the order will be cancelled or rejected.

(2) No NBB, NBO, and Last Reported Sale. In the absence of an NBB or NBO and last reported sale, the order will be cancelled or rejected.

(3) NBBO Offset Peg Order Becomes NBBO. If, after entry, the NBBO Offset Peg Order is priced based on the consolidated last sale and such NBBO Offset Peg Order is established as the NBB or NBO, the NBBO Offset Peg Order will not be subsequently adjusted in accordance with this rule until either there is a new consolidated last sale, or a new NBB or new NBO is established by a national securities exchange.

(4) Time-in-Force. NBBO Offset Peg Orders may only include a TIF instruction of Day.

(5) Size. NBBO Offset Peg Orders may only be entered as a Round Lot or Mixed Lot.

(6) Display. NBBO Offset Peg Orders are defaulted by the System to a Displayed instruction. NBBO Offset Peg Orders are not eligible to include a Non-Displayed instruction.

(7) Session. Users may submit NBBO Offset Peg Orders to the Exchange starting at the beginning of the Pre-Opening Session, but such orders are not executable

or automatically priced until after the first regular way transaction on the listing exchange in the security, as reported by the responsible single plan processor. The order expires at the end of the Regular Session.

(8) Routing/Posting. NBBO Offset Peg Orders are not eligible for routing pursuant to Rule 11.11.

(9) Locked or Crossed Market. When a Crossing Quotation exists, an NBBO Offset Peg Order will be automatically priced by the System at the Designated Percentage (as defined in Rule 11.20(d)(2)(D)) away from the then current NBO (in the case of an order to buy) or NBB (in the case of an order to sell).

(10) Notwithstanding the availability of the NBBO Offset Peg Order functionality, a User acting as a Market Maker remains responsible for entering, monitoring, and re-submitting, as applicable, quotations that meet the requirements of Rule 11.20(d).

(11) An NBBO Offset Peg Order will receive a new time stamp each time it is re-priced in response to changes in the NBB, NBO, or last reported sale.

(f) Route Peg Order. A non-displayed Limit Order that is eligible for execution at the NBB for a buy order and NBO for a sell order against an order that is in the process of being routed to an away Trading Center if such order that is in the process of being routed away is equal to or less than the aggregate size of the Route Peg Order interest available at that price. Route Peg Orders are passive, resting orders on the EDGX Book and do not take liquidity. A Route Peg Order does not execute at a price that is inferior to a Protected Quotation. Notwithstanding that a Route Peg Order is also a Limit Order, its operation and available modifiers are limited to this Rule 11.8(f).

(1) Time-in-Force. A Route Peg Order may only include a TIF instruction of GTT or Day. Route Peg Orders are not eligible to include a TIF instruction of IOC or FOK.

(2) Size. Route Peg Orders may only be entered as Round Lots or Mixed Lots. A User may specify a Minimum Execution Quantity for a Route Peg Order.

(3) Display. Route Peg Orders are defaulted by the System to a Non-Displayed instruction. Route Peg Orders are not eligible to include a Displayed instruction.

(4) Session. Route Peg Orders may be entered, cancelled, and cancelled/replaced prior to and during the Regular Session. Route Peg Orders are only eligible for execution in a given security during the Regular Session, except that, even after the commencement of the Regular Session, Route Peg Orders are not eligible for execution: (1) in the Opening Process; and (2) until such time that orders in that security

during the Regular Session can be posted by the System to the EDGX Book. Any and all remaining, unexecuted Route Peg Orders are cancelled at the conclusion of the Regular Session.

(5) Routing/Posting. Route Peg Orders are not eligible for routing pursuant to Rule 11.11.

(6) Locked or Crossed Market. A Route Peg Order is not eligible for execution when a Locking Quotation or Crossing Quotation exists. In such case, a Route Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists.

#### 11.[8]9. Priority of Orders

(a) Ranking. Orders of Users shall be ranked and maintained in the EDGX Book based on the following priority:

(1) Price. The highest-priced order to buy ([or]lowest-priced order to sell) shall have priority over all other orders to buy ([or orders to ]sell) in all cases.

(2) Time. Subject to Rule 11.10[the Execution Process described below], the following priority rules shall apply:

(A) [w]Where orders to buy ([or ]sell) are entered into the System[made] at the same price, the order clearly established as the first entered into the System at such particular price shall have precedence at that price, up to the number of shares of stock specified in the order. Except as provided in paragraphs (B) and (C) below, [T]the System shall execute equally priced trading interest within the System in time priority in the following order:

(A)i) [Displayed size of limit orders]The portion of a Limit Order with a Displayed instruction;

(B) Mid-Point Match Orders;

(C)ii) [Non-displayed limit orders] Limit Orders with a Non-Displayed instruction and the [r]Reserve [q]Quantity of Limit Orders[Reserve Orders];

(D)iii) [Discretionary range of] Limit Orders executed within their Discretionary Range [Discretionary Orders as set forth in Rule 11.5(c)(13)]; and

(E)iv) Route Peg Orders[as set forth in Rule 11.5(c)(17)].

(B) At the Midpoint of the NBBO. Where orders to buy (sell) are priced at the midpoint of the NBBO, the order clearly established as the first priced at the midpoint of the NBBO within each sub-paragraph below shall have precedence at the mid-point of the NBBO, up to the number of shares of stock specified in the order. The System shall execute trading interest priced at the midpoint of the NBBO within the System in time priority in the following order:

(i) Limit Orders to which the Hide Not Slide or Routed and Returned instruction has been applied;

(ii) MidPoint Match Orders;

(iii) Limit Orders with a Non-Displayed instruction; and

(iv) Limit Orders executed within their Discretionary Range.

(C) Where buy (sell) orders are utilizing instructions that cause them to be re-ranked by the System upon clearance of a Locking Quotation, the System shall re-rank and display such orders at the Locking Price in time priority in the following order:

(i) ISO with a TIF instruction of Day that establishes a new NBBO at the Locked Price;

(ii) Limit Orders to which the Hide Not Slide or Routed and Returned instruction has been applied;

(iii) Limit Orders to which the Price Adjust instruction has been applied; and

(iv) Orders with a Pegged instruction.

(D) For purposes of paragraphs (A) and (B) above:

(i) ISOs, as defined in Rule 11.8(c), and NBBO Offset Peg Orders, as defined in Rule 11.8(e), are to be treated as Limit Orders, as defined in Rule 11.8(b); and

(ii) orders re-ranked subject to a Re-Pricing instruction to comply with Rule 201 of Regulation SHO under Rule 11.6(1)(2), including Market Orders that are displayed on the EDGX Book pursuant to Rule 11.8(a)(4) and Rule 11.10(a)(3)(A), maintain the same priority as Limit Orders at that price.

- (3) Internalization. [Market participants]Users may direct that orders entered into the System not execute against orders entered under the same MPID. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.
- (4) Cancel/Replace. In the event an order has been cancelled or replaced in accordance with Rule 11.[5]10(e) [above]below, such order only retains priority if such modification involves a decrease in the size of the order. Any other modification to an order, including an increase in the size of the order and/or price change, will result in such order losing priority as compared to other orders in the EDGX Book and the time\_stamp for such order being revised to reflect the time of the modification.
- (5) (No change).
- (6) Replenishment from Reserve Quantity. The displayed quantity of a Limit Order [Reserve Order] shall have time priority as of the time of display. If the displayed quantity of the Limit Order [Reserve Order] is decremented such that [99 shares or fewer]less than a Round Lot would be displayed, the [displayed] portion of the Limit Order with a Displayed instruction[Reserve Order] shall be replenished from the Reserve Quantity, if any, in accordance with Rule 11.6(m)(1)(A) or (B)[refreshed for (i) the original displayed quantity, or (ii) the entire reserve quantity, if the remaining reserve quantity is smaller than the original displayed quantity]. A new time\_stamp is created [both] for the [refreshed] displayed [and reserved] portion of the order each time it is [refreshed] replenished from the Reserve Quantity. [reserve.]
- (7) Route Peg Order. If a Route Peg Order is executed in part, the remaining portion of the order shall continue to be eligible for execution and shall be assigned a new [time priority and new] time\_stamp, until either the remaining size is exhausted or the Route Peg Order is cancelled by the Member.
- (8) (No change).
- (b) (No change).

#### 11.[9]10. Order Execution

(a) Execution. Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this Rule 11.[9]10.

(3) Compliance with Regulation SHO. For any execution of an order that includes a [s]Short [s]Sale [order]instruction to occur on the Exchange when a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered

security, the price must be above the current NBB, unless the sell order was initially displayed by the System at a price above the then current NBB or is marked “short exempt” pursuant to Regulation SHO.

(4) Compliance with Regulation NMS. For any execution to occur during Regular Trading Hours, the price must be equal to or better than the Protected NBBO, unless the order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS. For any execution to occur during the Pre-Opening Session or the Post-Closing Session, the price must be equal to or better than the highest bid or lowest offer in the EDGX Book or disseminated by the responsible single plan processor, unless the order is marked ISO. For purposes of this Rule 11.~~11~~<sup>9</sup>~~10~~, any order falling within the parameters of this paragraph shall be referred to as “executable.” An order will be cancelled back to the User, if based on market conditions, User instructions, applicable Exchange Rules and /or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.~~11~~<sup>9</sup>(b)(1) below and] or cannot be posted to the EDGX Book.

(3) Compliance with the requirements of the Plan. Except as provided in Section VI of the Plan, for any executions to occur during Regular Trading Hours, such executions must occur at a price that is greater than or equal to the Lower Price Band and less than or equal to the Upper Price Band, when such Price Bands are disseminated.

(F) Where a non-routable buy (sell) order is entered into the System at a price less (greater) than or equal to the Upper (Lower) Price Band, such order will be posted to the EDGX Book or executed, unless (i) the order that includes a TIF instruction of[is an] IOC or FOK[Order], in which case it will be cancelled if not executed, or (ii) the User has entered instructions to cancel the order.

(G) (No change).

(H) A description of the behavior of routable market and [~~1~~]Limit [~~o~~]Orders in response to the Plan is found in Rule 11.~~11~~<sup>9</sup>(b)(1)~~9~~(b)(1)(B)].

(I) Where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price. When a short sale order is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction under Rule

201 of Regulation SHO is in effect for the covered security, the System will re-price such order, if necessary, at a Permitted Price pursuant to Exchange Rule 11.6(k)[5(c)(4)].

(J) (No change).

(4) Execution against EDGX Book. An incoming order shall first attempt to be matched for execution against orders in the EDGX Book, unless the User instructs the System to bypass the EDGX Book and route the order to an away Trading Center, in accordance with Exchange Rules.

(A) – (B) (No change).

(5) Short Sales. All orders to sell short shall include a Short Sale instruction, and if applicable, a Short Exempt instruction when entered into the System. If an order includes a Short Exempt instruction, the Exchange shall execute, display and/or route an order without regard to any short sale price test restriction in effect under Regulation SHO. The Exchange relies on the inclusion of a Short Exempt instruction when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation SHO relating to including a Short Exempt instruction on an order.

[(b) Routing

(1) Routing to Away Trading Centers. Unless the terms of the order direct the Exchange not to route such order away (*e.g.*, a EDGX Only Order), if a market or marketable limit order has not been executed in its entirety pursuant to paragraph (a)(4) above, the order shall be eligible for routing away pursuant to one or more of the routing options listed under paragraph (b)(2) below.

(A) Regulation SHO. An order marked “short” when a short sale price test restriction pursuant to Rule 201 of Regulation SHO is in effect is not eligible for routing by the Exchange. If an order is ineligible for routing due to the short sale price test restriction and such order is an IOC order, then the order will be cancelled. For any other order ineligible for routing due to a short sale price test restriction, the Exchange will post the unfilled balance of the order to the EDGX Book, treat the order as if it was an EDGX Only Order, and subject it to the short sale price sliding process, as described in Rule 11.5(c)(4).

(B) The Plan.

(i) In order to comply with the Plan, a routable buy (sell) market or routable marketable limit order will be routed by the Exchange only when the NBO (NBB) is or becomes executable according to the Plan, which would be when the NBO is less than or equal to the Upper Price Band (NBB is greater than or equal to the Lower Price Band). According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is greater than the Upper Price Band (the NBB is less than the Lower Price Band) (“Non-Executable”).

Except for routing strategies SWPA, SWPB and SWPC, for purposes of the below subparagraphs, routing strategies that access all Protected Quotations include ROUT, ROUX, ROUC, ROUE and ROOC. Routing strategies that do not access all Protected Quotations include all other routing strategies listed in Rule 11.9(b)(2), as described below.

(I) Routable Market Orders. For routing strategies that access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell) market order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) market order does not move above (below) its market collar price, as defined in Rule 11.5(a)(2), or alternatively, such buy (sell) market order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable market orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(II) Routable Limit Orders. If the price of (i) a routable buy (sell) limit order that is entered into the System or (ii) the unfilled balance of such order that is returned from routing to away Trading Centers is greater (less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the NBO (NBB) being or having become Non-Executable, then the System will default to re-price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or alternatively, it may be cancelled pursuant to User instruction. For routing strategies that access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves

above (below) the routable buy (sell) order's posting price, such routable order will continue to be re-priced to the Upper (Lower) Price Band until the order reaches its limit price. For all other routing strategies that do not access all Protected Quotations, the routable order will not be re-priced to a price above (below) the original price at which it was posted to the EDGX Book.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

- (ii) Re-routing. For routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) market or marketable limit order will be eligible to be re-routed by the Exchange.
- (iii) Routing strategies SWPA, SWPB and SWPC (together, "SWP"), as described in Rule 11.9(b)(3), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.

(C) Routing of Market Orders. With respect to an order that is eligible for routing, the System will designate market orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers (as defined in Rule 2.11) for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as a EDGX Only Order pursuant to Rule 11.5(c)(4), or (ii) repeat the process described in paragraph (a)(4) above and this paragraph (b)(1)(C) by executing against the EDGX Book and/or routing orders to other market centers until the original, incoming order is executed in its entirety.

(D) Routing of Marketable Limit Orders. With respect to an order that is eligible for routing, the System will designate marketable limit orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading

Centers (as defined in Rule 2.11) for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as a EDGX Only Order pursuant to Rule 11.5(c)(4), or (ii) repeat the process described in paragraph (a)(4) above and this paragraph (b)(1)(D) by executing against the EDGX Book and/or routing orders to other market centers until the original, incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will be posted in the EDGX Book.

(2) Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to route orders simultaneously or sequentially, maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(a) ROUC. ROUC is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted on the Exchange's book.

(b) ROUD. ROUD is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(c) The following routing strategies check the System for available shares and then are sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User. For strategies in paragraphs (i)-(iii) below, Users may elect that any remainder of an order be posted on the book or to another destination on the System routing table.

(i) ROUE

(ii) ROUT

(iii) ROUX

(iv) ROUQ

(v) ROUZ

(d) INET. INET is a routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book.

(e) ROBA. ROBA is a routing option under which an order checks the System for available shares and then is sent, as an immediate or cancel (IOC) order, to BATS BZX Exchange. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(f) ROBX. ROBX is a routing option under which an order checks the System for available shares and then is sent, as an immediate or cancel (IOC) order, to Nasdaq BX Exchange. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(g) ROBY. ROBY is a routing option under which an order checks the System for available shares and then is sent, as an immediate or cancel (IOC) order, to BATS BYX Exchange. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(h) RDOT. RDOT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. Any remainder will be posted to the NYSE, unless otherwise instructed by the User.

(i) RDOX. RDOX is a routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User.

(j) ROLF. ROLF is a routing option under which an order checks the System for available shares and then is sent to LavaFlow ECN.

(k) ROPA. ROPA is a routing option under which an order checks the System for available shares and then is sent, as an immediate or cancel (IOC) order, to NYSE Arca. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(l) IOCX. IOCX is a routing option under which an order checks the System for available shares and then is sent, as an immediate or cancel (IOC)

order, to EDGA. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(m) IOCT. IOCT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent, as an immediate or cancel (IOC) order, to EDGA. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User.

(n) ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the EDGX Book, executed, or routed like a ROUT routing option, as described in paragraph (c), above.

(o) SWPA. SWPA is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPA order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations.

(p) SWPB. SWPB is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPB order will be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations.

(q) SWPC. SWPC is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the order is unexecuted, the remainder is posted on the book at the order's limit price. The entire SWPC order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPC order to fulfill the displayed size of all Protected Quotations.

(c) Priority of Routed Orders. Orders sent by the System to Trading Centers do not retain time priority with respect to other orders in the System and the System shall continue to execute other orders while routed orders are away at another Trading Center.

Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to another trading center and remains outside the System shall be processed, subject to the applicable trading rules of the relevant trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time\_stamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the EDGX Book in accordance with the terms of such order under Rule 11.8 and such order shall be eligible for execution under this Rule 11.9.]

([d]b) Display of Automated Quotations. The System will be operated as an “automated market center” within the meaning of Regulation NMS, and in furtherance thereof, will display “automated quotations” within the meaning of Regulation NMS at all times except in the event that a systems malfunction renders the System incapable of displaying automated quotations, in which case the System will be disabled and will be unable to accept any orders. The Exchange shall promptly communicate to Users the unavailability of the System[its procedures concerning a change from automated to “manual quotations” (as defined in Regulation NMS)].

([e]c) Self-Help. The Exchange intends to take advantage of the self-help provisions of Regulation NMS. Pursuant to the self-help provisions, the System may execute a transaction that would constitute a trade-through of a Protected Quotation displayed on another trading center if such trading center is experiencing a failure, material delay, or malfunction of its systems or equipment. If another trading center publishing a Protected Quotation repeatedly fails to respond within one second to orders sent by the System to access the trading center’s Protected Quotation, the System may disregard those Protected Quotations when routing, displaying, canceling or executing orders on the Exchange. When invoking self-help, the Exchange will:

(6) Notify the non-responding trading center immediately after (or at the same time as) electing self-help; and

(7) Assess whether the cause of the problem lies with the System and, if so, taking immediate steps to resolve the problem instead of invoking self-help.

([f]d) EdgeRisk Self Trade Protection (“ERSTP”) [Anti-Internalization Qualifier (“AIQ”)] Modifiers. Any incoming order designated with an [AIQ]ERSTP modifier will be prevented from executing against a resting opposite side order also designated with an [AIQ]ERSTP modifier and originating from the same market participant identifier (“MPID”), Exchange Member identifier or [AIQ]ERSTP Group identifier (any such identifier, a “Unique Identifier”). The [AIQ]ERSTP modifier on the incoming order

controls the interaction between two orders marked with [AIQ]ERSTP modifiers.

(1) [AIQ]ERSTP Cancel Newest (“CN”). An incoming order marked with the “CN” modifier will not execute against opposite side resting interest marked with any [AIQ]ERSTP modifier originating from the same Unique Identifier. The incoming order marked with the CN modifier will be cancelled back to the originating User(s). The resting order marked with an [AIQ]ERSTP modifier will remain on the book.

(2) [AIQ]ERSTP Cancel Oldest (“CO”). An incoming order marked with the “CO” modifier will not execute against opposite side resting interest marked with any [AIQ]ERSTP modifier originating from the same Unique Identifier. The resting order marked with the [AIQ]ERSTP modifier will be cancelled back to the originating User(s). The incoming order marked with the CO modifier will remain on the book.

(8) [AIQ]ERSTP Decrement and Cancel (“DC”). An incoming order marked with the “DC” modifier will not execute against opposite side resting interest marked with any [AIQ]ERSTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller order will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the book.

(9) [AIQ]ERSTP Cancel Both (“CB”). An incoming order marked with the “CB” modifier will not execute against opposite side resting interest marked with any [AIQ]ERSTP modifier originating from the same Unique Identifier. The entire size of both orders will be cancelled back to the originating User(s).

(10) [AIQ]ERSTP Cancel Smallest (“CS”). An incoming order marked with the CS modifier will not execute against opposite side resting interest marked with any [AIQ]ERSTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller of the two orders will be cancelled back to the originating User and the larger order will remain on the book.

(g) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, DE Route, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange’s Members with access to such away trading centers. Pursuant to the policies and procedures developed by DE Route to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative,

would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), DE Route will reject such orders prior to routing and/or seek to cancel any orders that have been routed.]

(e) Cancel/Replace Messages. A User may cancel or replace an existing order entered by the User, subject to the following limitations.

(1) Orders may only be cancelled or replaced if the order has a TIF instruction other than IOC and FOK and if the order has not yet been executed in its entirety.

(2) If an order has been routed to another Trading Center, the order will be placed in a "Pending" state until the order is returned from the destination(s) to which it was routed. Executions that are completed when the order is in the "Pending" state will be processed in accordance with Rule 11.10(a)(4).

(3) Only the price and quantity terms of the order may be changed by a Replace Message (including changing a Limit Order to a Market Order). If a User desires to change any other terms of an existing order the existing order must be cancelled and a new order must be entered.

(4) Notwithstanding anything to the contrary in these Exchange Rules, no cancellation or replacement of an order will be effective until such message has been received and processed by the System.

(f) Locking Quotation or Crossing Quotations in NMS Stocks.

(1) Prohibition. Except for quotations that fall within the provisions of paragraph (f)(3) of this Rule, the System shall not make available for dissemination, and Users shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a Protected Quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan during Regular Trading Hours.

(2) Manual quotations. If a User displays a manual quotation that locks or crosses a quotation previously disseminated pursuant to an effective national market system plan, such User shall promptly either withdraw the manual quotation or route an ISO to execute against the full displayed size of the locked or crossed quotation.

(3) Exceptions.

(i) The Locking Quotation 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.

(ii) The Locking Quotation or Crossing Quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.

(iii) The Locking Quotation or Crossing Quotation was an automated quotation, and the User displaying such automated quotation simultaneously routed an ISO to execute against the full displayed size of any Protected Quotation that is a Locking Quotation or Crossing Quotation.

(iv) The Locking Quotation or Crossing Quotation was a manual quotation that locked or crossed another manual quotation, and the User displaying the locking or crossing manual quotation simultaneously routed an ISO to execute against the full displayed size of the locked or crossed manual quotation.

#### 11.11. Routing to Away Trading Centers

Unless the terms of the order direct the Exchange not to route such order away, if a Market Order or marketable Limit Order has not been executed in its entirety pursuant to 11.10(a)(4) above, the order shall be eligible for routing away pursuant to one or more of the routing options listed under paragraph (g) below.

(a) Regulation SHO. An order that includes a Short Sale instruction when a short sale price test restriction pursuant to Rule 201 of Regulation SHO is in effect is not eligible for routing by the Exchange. If an order is ineligible for routing due to the short sale price test restriction and such order contains a Time-in-Force of IOC, then the order will be cancelled. For any other order ineligible for routing due to a short sale price test restriction, the Exchange will post the unfilled balance of the order to the EDGX Book, treat the order as if it included a Book Only or Post Only instruction, and subject it to the Short Sale Price Adjust instruction, as described in Rule 11.6(1)(2)(A), unless the User has elected the Short Sale Price Sliding instruction described in Rule 11.6(1)(2)(B) or have the order Cancel Back as described in Rule 11.6(b).

(b) The Plan.

(1) In order to comply with the Plan, a routable buy (sell) Market or routable marketable Limit Order will be routed by the Exchange only when the NBO (NBB) is or becomes executable according to the Plan, which would be when the NBO is less than or equal to the Upper Price Band (NBB is greater than or equal to the Lower Price Band). According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is greater than the Upper Price Band (the NBB is less than the Lower Price Band) (“Non-Executable”).

Except for routing strategies SWPA, SWPB and SWPC, for purposes of the below subparagraphs, routing strategies that access all Protected Quotations include ROUT,

ROUX, ROUC, ROUE and ROOC. Routing strategies that do not access all Protected Quotations include all other routing strategies listed in paragraph (g), as described below.

(i) Routable Market Orders. For routing strategies that access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell) Market Order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) Market Order does not move above (below) its market collar price, as defined in Rule 11.8(a)(7), or alternatively, such buy (sell) Market Order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable Market Orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(ii) Routable Limit Orders. If the price of (i) a routable buy (sell) Limit Order that is entered into the System or (ii) the unfilled balance of such order that is returned from routing to away Trading Centers is greater (less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the NBO (NBB) being or having become Non-Executable, then the System will default to re-price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or alternatively, it may be cancelled pursuant to User instruction. For routing strategies that access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves above (below) the routable buy (sell) order's posting price, such routable order will continue to be re-priced to the Upper (Lower) Price Band until the order reaches its limit price. For all other routing strategies that do not access all Protected Quotations, the routable order will not be re-priced to a price above (below) the original price at which it was posted to the EDGX Book.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(c) Re-routing. For routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange.

(d) Routing strategies SWPA, SWPB and SWPC (together, "SWP"), as described in paragraph (g), are eligible for routing in accordance with the Plan as follows: the System

will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.

(e) Routing of Market Orders. With respect to an order that is eligible for routing, the System will designate Market Orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will cancel any unexecuted portion back to the User.

(f) Routing of Marketable Limit Orders. With respect to an order that is eligible for routing, the System will designate marketable Limit Orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers (as defined in Rule 2.11) for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as an order with a Book Only instruction subject to a Re-Pricing Option described in Rule 11.6(l), or (ii) repeat the process described in paragraph (a)(4) above and this paragraph (f) by executing against the EDGX Book and/or routing orders to other Trading Centers until the original, incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will be posted in the EDGX Book.

(g) Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and Times-in-Force instruction, with the exception of order types and Times-in-Force instruction whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible Trading Centers. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to route orders simultaneously or sequentially, maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(1) ROUC. ROUC is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted on the EDGX Book.

(2) ROUD. ROUD is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(3) The following routing strategies check the System for available shares and then are sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the book, unless otherwise instructed by the User. For strategies in paragraphs (i)-(iii) below, Users may elect that any remainder of an order be posted on the EDGX Book or to another destination on the System routing table.

- (A) ROUE
- (B) ROUT
- (C) ROUX
- (D) ROUQ
- (E) ROUZ

(4) INET. INET is a routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book.

(5) ROBA. ROBA is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to BATS BZX Exchange. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(6) ROBX. ROBX is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to Nasdaq BX Exchange. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(7) ROBY. ROBY is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to BATS BYX Exchange. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(8) RDOT. RDOT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. Any remainder will be posted to the NYSE, unless otherwise instructed by the User.

(9) RDOX. RDOX is a routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE.

If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User.

(10) ROLF. ROLF is a routing option under which an order checks the System for available shares and then is sent to LavaFlow ECN.

(11) ROPA. ROPA is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to NYSE Arca. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(12) IOCX. IOCX is a routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to EDGA. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(13) IOCT. IOCT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent, with a Time-in-Force instruction of IOC, to EDGA. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(14) ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the EDGX Book, executed, or routed like a ROUT routing option, as described in paragraph (c), above.

(15) SWPA. SWPA is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPA order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations.

(16) SWPB. SWPB is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is cancelled back to the User. The entire SWPB order will be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations.

(17) SWPC. SWPC is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the order is unexecuted, the remainder is posted on the EDGX Book at the order's limit price. The entire SWPC order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPC order to fulfill the displayed size of all Protected Quotations.

(h) Priority of Routed Orders. Orders sent by the System to Trading Centers do not retain time priority with respect to other orders in the System and the System shall continue to execute other orders while routed orders are away at another Trading Center. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to another trading center and remains outside the System shall be processed, subject to the applicable trading rules of the relevant trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the EDGX Book in accordance with the terms of such order under Rule 11.9 and such order shall be eligible for execution under Rule 11.10.

(i) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, DE Route, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away trading centers. Pursuant to the policies and procedures developed by DE Route to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), DE Route will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

11.[10]12. Trade [Execution and] Reporting

(a) – (b) (No change).

11.[11]13. Clearance and Settlement; Anonymity

(a) – (e) (No change).

11.[12]14. LIMITATION OF LIABILITY

(a) – (d) (No change).

#### 11.[13]15. 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 permanent, the prior versions of paragraphs (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

(a) – (i) (No change).

#### Rule 11.[14]16. Trading Halts Due to Extraordinary Market Volatility

This Rule shall be in effect during a pilot period to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of Rule 11.1[4]6 shall be in effect.

(a) – (d) (No change).

(e) On the occurrence of any trading halt pursuant to this Rule 11.1[4]6, all outstanding Post Only orders in the System will be cancelled.

(f) Nothing in this Rule 11.1[4]6 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

(No change).

Interpretations and Policies: (No change).

#### [Rule 11.15. Short Sales

All short sale orders shall be identified as “short” or “short exempt” when entered into the System. If marked “short exempt,” the Exchange shall execute, display and/or route an order without regard to any short sale price test restriction in effect under Regulation SHO. The Exchange relies on the marking of an order as “short exempt” when handling such order, and thus, it is the entering Member’s responsibility, not the Exchange’s responsibility, to comply with the requirements of Regulation SHO relating to marking of orders as “short exempt.”]

#### [Rule 11.16. Locking or Crossing Quotations in NMS Stocks

(a) Definitions. For purposes of this Rule 11.16, the following definitions shall apply:

- (1) The terms automated quotation, effective national market system plan, intermarket sweep order, manual quotation, NMS stock, protected quotation, regular trading hours, and trading center shall have the meanings set forth in Rule 600(b) of Regulation NMS.
  - (2) 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 price of an 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 price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.
  - (3) 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 price of an 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 equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.
- (b) Prohibition. Except for quotations that fall within the provisions of paragraph (d) of this Rule, the System shall not make available for dissemination, and Users shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a protected quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan.
- (c) Manual quotations. If a User displays a manual quotation that locks or crosses a quotation previously disseminated pursuant to an effective national market system plan, such User shall promptly either withdraw the manual quotation or route an ISO to execute against the full displayed size of the locked or crossed quotation.
- (d) Exceptions.
- (1) 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.
  - (2) The locking or crossing quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.
  - (3) The locking or crossing quotation was an automated quotation, and the User displaying such automated quotation simultaneously routed an ISO to execute against the full displayed size of any locked or crossed protected quotation.

(4) The locking or crossing quotation was a manual quotation that locked or crossed another manual quotation, and the User displaying the locking or crossing manual quotation simultaneously routed an ISO to execute against the full displayed size of the locked or crossed manual quotation.]

[Rule 11.17. (Reserved)]

Rule 11.1[8]7. Registration of Market Makers

(a) – (f) (No change).

Rule 11.1[9]8. Obligations of Market Maker Authorized Traders

(a) – (c) (No change).

Rule 11.[20]19. Registration of Market Makers in a Security

(a) - (b) (No change).

(c) The Exchange may suspend or terminate any registration of a Market Maker in a security or securities under this Rule 11.[20]19 whenever the Exchange determines that:

(1) The Market Maker has not met any of its obligations as set forth in these Rules; or

(2) The Market Maker has failed to maintain fair and orderly markets. A Market Maker whose registration is suspended or terminated pursuant to this Rule 11.[20]19 (c) may seek review under Chapter X of Exchange Rules governing adverse action.

(d) Nothing in this Rule 11.[20]19 will limit any other power of the Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.[20]19.

Rule 11.2[1]0. Obligations of Market Makers

(a) - (b) (No change).

(c) If the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Market Maker will be subject to disciplinary action, including, without limitation, suspension or revocation of its registration by the Exchange in one or more of the securities in which the Market Maker is registered. Nothing in this Rule 11.2[1]0 limits any powers of the

Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.2[1]0. Any Member aggrieved by any determination under this Rule 11.2[1]0 may seek review under Chapter X of the Exchange Rules governing adverse action.

(d) (No change).

#### Interpretation and Policies

.01 The obligation of a Market Maker pursuant to Rule 11.2[1]0(a)(3) to “inform the Exchange of any material change in financial or operational condition” includes the requirement to submit a copy to the Exchange of a notice sent to the Securities and Exchange Commission (“SEC”) pursuant to Rule 17a-11 under the Exchange Act. The notice to the Exchange must be sent concurrently with the notice sent to the SEC. See also, EDGX Rule 4.2.

#### 11.21. Retail Orders.

(a) Retail Order. A Retail Order is an order that: (i) is an agency order or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person; (ii) is submitted to EDGX by a Member, provided that no change is made to the terms of the order; and (iii) does not originate from a trading algorithm or any other computerized methodology.

(b) Written Attestation. Members must submit a signed written attestation, in a form prescribed by the Exchange, that they have implemented policies and procedures that are reasonably designed to ensure that substantially all orders designated by the Member as a Retail Order comply with the above requirements.

(c) Policies and Procedures. If the Member represents Retail Orders from another broker-dealer customer, the Member’s supervisory procedures must be reasonably designed to assure that the orders it receives from such broker dealer customer that it designates as Retail Orders meet the definition of a Retail Order. The Member must (i) obtain an annual written representation from each broker-dealer customer that sends it orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements specified by the Exchange, and (ii) monitor whether its broker-dealer customer's Retail Order flow continues to meet the applicable requirements.

(d) Order Designation. Members will only be able to designate their orders as Retail Orders on either an order-by-order basis using FIX ports or by designating certain of their FIX ports at the Exchange as “Retail Order Ports.”

(e) Attribution. A Member may designate a Retail Order to be identified as Retail on the EDGX Book Feed on an order-by-order basis. A Member may also instruct the Exchange to identify all its Retail Orders as Retail on a port-by-port basis where that port is also designated as a Retail Order Port. However, if a Member instructs the Exchange to identify all its Retail Orders as Retail on a Retail Order Port, it will not be able to designate any Retail Order from that port as Attributable or as Non-Attributable, as set forth in Rule 11.6(a).

[Rule 11.22. Input of Accurate Information

Members of the Exchange shall input accurate information into the System, including, but not limited to, whether the Member is acting in a principal, agent, or riskless principal capacity for each order it enters. If such capacity is not inputted by the Member for each order it enters, the Member's order will be rejected back by the Exchange.]