Appendix A - UMIR Amendments

The Universal Market Integrity Rules are hereby amended as follows:

1. Rule 1.1 is amended by:

    (a) in the definition of "best ask price", inserting the word "protected" before the word "marketplace";

    (b) in the definition of "best bid price", inserting the word "protected" before the word "marketplace";

    (c) deleting the definition of "bypass order" and substituting the following:

    > **"bypass order"** means an order that is:
    >
    > (a) part of a designated trade; or
    >
    > (b) to satisfy an obligation to fill an order imposed on a Participant or Access Person by any provision of UMIR or a Policy
    > and that is entered on:
    >
    > (c) a protected marketplace to execute as against the disclosed volume on that marketplace prior to the execution or cancellation of the balance of the order; or
    >
    > (d) a marketplace that is not a protected marketplace but that displays orders in a consolidated market display, to execute as against the displayed orders on that marketplace that would have been included in the disclosed volume if that marketplace had been a protected marketplace.

    (d) deleting the definition of "protected marketplace" and substituting the following:

    > **"protected marketplace"** means a marketplace that displays "protected orders" as defined under the Trading Rules.

2. Rule 1.2 is amended by:

    (a) inserting at the end of subsection (5) the phrase "on the Exchange on which the security is listed or the QTRS on which the security is quoted"; and

    (b) deleting in subsection (8) the phrase "a marketplace" and inserting "a protected marketplace".

3.   Clause (g) of subsection (1) of Rule 10.9 is deleted and the following substituted:

   (g)   require the Participant or Access Person to satisfy any order included in the disclosed volume if the trade by the Participant or Access Person failed to comply with requirements of section 6.4 of the Trading Rules.

The Policies to the Universal Market Integrity Rules are hereby amended as follows:

1.   Part 2 of Policy 2.1 is amended by:

   (a)   deleting in the first paragraph the phrase "in accordance with the "best price" obligations under Rule 5.2,";

   (b)   deleting the last two bullets and substituting the following:

   - better-priced orders displayed on the marketplace on which the designated trade is entered are filled prior to the execution of the designated trade; and

   - the Participant or Access Person enters orders on each protected marketplace with a sufficient volume and at a price to fill better-priced orders included in the disclosed volume of that protected marketplace concurrent with, or immediately following, the execution of the designated trade.

2.   Policy 5.3 is amended by adding in the second paragraph of Part 4, the word "protected" before the word "marketplace".

3.   Part 3 of Policy 8.1 is amended by adding the following as the third paragraph:

   In determining the "best available price", Participants should consider the price and size of orders displayed on marketplaces other than protected marketplaces if such information is available or known to the Participant. Specifically, we expect an employee of a Participant to use all order price information that is available or known to that employee when determining the "best available price". For example, an employee that has access to price information from both protected and unprotected marketplaces would be in compliance with the requirement to determine the "best available price" only if all price information from both protected and unprotected marketplaces was considered when executing a principal or non-client order with a client order.

However, a Participant will be considered not to have complied with Rule 8.1 if an employee executes a principal or non-client order with a client order at a better price which is inferior to the price that would have been available to the client on a displayed marketplace that is not a protected marketplace and the employee executes, in whole or in part, with the order displayed on the marketplace that is not a protected marketplace.