

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="33"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2012"/> - * <input type="text" value="06"/> Amendment No. (req. for Amendments *) <input type="text"/>
---	--	--

Proposed Rule Change by EDGX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
---	---

Description
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * Last Name *
 Title *
 E-mail *
 Telephone * Fax

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date
 By Chief Regulatory Officer
 (Name *)
 (Title *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information (required)

Add Remove View

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 (required)

Add Remove View

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 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

1. Text of the Proposed Rule Change

(a) EDGX Exchange, Inc. (“Exchange” or “EDGX”) proposes to amend its fees and rebates applicable to Members¹ of the Exchange pursuant to EDGX Rule 15.1(a) and (c). Text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on April 27, 2010. Exchange staff will advise the EDGX Exchange Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change. Therefore, the Exchange's internal procedures with respect to the proposed change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Thomas N. McManus
Chief Regulatory Officer
EDGX Exchange
201-418-3471

3. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to make a technical amendment to the description of Footnote 9 and Flag CL to reflect the Securities and Exchange Commission’s (“SEC” or the “Commission”) approval of the BATS BZX Exchange (“BATS BZX”) as a primary listing exchange.² Therefore, Footnote 9 will state that Flag O will be yielded and a fee of \$0.0005 per share will be assessed if an order is routed to NYSE Arca & BATS BZX’s closing process. This fee in footnote 9 (\$0.0005 per share) gives a flat rate for the NYSE Arca & BATS BZX’s closing processes, which is lower than other primary listing

¹ A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

² See Securities and Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018).

markets. Flag CL will apply to orders routed to a primary listing market's closing process except NYSE Arca and BATS BZX. In addition, the Exchange proposes to revise the descriptions on Flags CL, 8, and 9 to broaden their applicability to several routing strategies rather than just ROOC.³ Therefore, the Exchange proposes that Flag CL state "Routed to listing market closing process except NYSE Arca & BATS BZX." The Exchange proposes conforming amendments to Flags 8 and 9 to delete the ROOC routing strategy from the descriptions of these flags.

The Exchange proposes to amend Flag 9 and Flag 10 of its fee schedule. At this time, NYSE Arca offers its Members a rebate of \$0.0021 for orders that add liquidity on Tapes A or C and a rebate of \$0.0022 for orders that add liquidity on Tape B. The Exchange proposes to amend Flag 9 to account for the pass-through of the NYSE Arca rebate for adding liquidity through Tapes A or C and to create Flag 10 to account for the pass-through of the NYSE Arca rebate for adding liquidity on Tape B.

The Exchange proposes to make a technical amendment by re-naming Flag H as Flag HA, which represents all non-displayed orders that add liquidity (not including Midpoint Match orders). Flag HA will identify all non-displayed orders that add liquidity to EDGX, not including Midpoint Match orders, and the Exchange will continue to provide a rebate of \$0.0015 per share. Finally, the Exchange proposes to make technical amendments to Flags G, L, N, and 3 to replace the "and" connector with "or" (i.e., "Tapes A or C" instead of "Tapes A and C") to make these references accurate.

In SR-EDGX-2011-37,⁴ the Exchange amended several routing options contained in Rule 11.9(b)(3) to allow Users⁵ more discretion if shares remain unexecuted after routing. In particular, Rule 11.9(b)(3)(c)(i)-(iii) was amended to provide that Users may elect that any remainder of an order be posted to another destination on the System routing table. In conjunction with this amendment, the Exchange proposes to create the following new flags⁶:

The Exchange proposes to add Flag RB for orders that are routed from EDGX to Nasdaq OMX BX and add liquidity. The Exchange proposes to assess a charge of \$0.0018 per share to account for the pass-through of the Nasdaq OMX BX fee for adding liquidity.

The Exchange proposes to add Flag RC for orders that are routed from EDGX to the National Stock Exchange, Inc. ("NSX") and add liquidity. The Exchange proposes to

³ See EDGX Exchange Rule 11.9(b)(3)(n).

⁴ See Securities Exchange Act Release No. 65903 (December 6, 2011), 76 FR 77284 (December 12, 2011) (SR-EDGX-2011-37).

⁵ As defined in Rule 1.5(ee).

⁶ These flags account for all postable destinations that are not already accounted for by other flags on the fee schedule.

offer Members a rebate of \$0.0026 per share to account for the pass-through of the NSX rebate for adding liquidity.

The Exchange proposes to add Flag RM for orders that are routed from EDGX to the Chicago Stock Exchange, LLC (“CHX”) and add liquidity. The Exchange proposes to assess no charge to account for the pass-through of no CHX fee for adding liquidity.

The Exchange proposes to add Flag RS for orders that are routed from EDGX to the Nasdaq OMX PSX (“PSX”) and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0024 per share to account for the pass-through of the PSX rebate for adding liquidity.

The Exchange proposes to add Flag RW for orders that are routed from EDGX to the CBOE Stock Exchange, LLC (“CBSX”) and add liquidity. The Exchange proposes to assess a charge of \$0.0017 per share to account for the pass-through of the CBSX fee for adding liquidity.

The Exchange proposes to add Flag RY for orders that are routed from EDGX to the BATS BYX and add liquidity. The Exchange proposes to assess a charge of \$0.0003 per share to account for the pass-through of the BATS BYX fee for adding liquidity.

The Exchange proposes to add Flag RA for orders that are routed from EDGX to EDGA Exchange, Inc. (“EDGA”) and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0004 per share to account for the pass-through of the EDGA fee for adding liquidity.

The Exchange proposes to add Flag RZ for orders that are routed from EDGX to the BATS BZX and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0025 per share to account for the pass-through of the BATS BZX rebate for adding liquidity to BATS BZX.

Additional Changes to the EDGX Fee Schedule

The Exchange proposes to add three additional rebates to the fee schedule:

First, Members can qualify for the Mega Tape B Tier and be provided a \$0.0034 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .10% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) posts greater than or equal to .10% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX.

Secondly, Members can qualify for the Mini Tape B Tier and be provided a \$0.0030 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .05% of the TCV in ADV more than their January 2012 ADV to EDGX; and (ii) posts greater than or equal to .05% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX.

Finally, the Exchange proposes to amend footnote 11 on its fee schedule to provide that if a Member internalizes more than 4% of their ADV on EDGX (added, removed, and routed liquidity) and the Member, at a minimum, meets the criteria for the Mega Tier rebate of \$0.0032 per share in footnote 1, then the Member's internalization⁷ rate would be a rebate of \$0.00015 per share, instead of a fee of \$0.0001 per share if they met the tier provided in footnote 11 (posting 10,000,000 shares of more of ADV to EDGX) or a fee of \$0.00035 per share if a Member did not meet the tier.

The Exchange proposes to implement these amendments to its fee schedule on March 1, 2012.

(b) Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Securities and Exchange Act of 1934 (the "Act"),⁸ in general, and furthers the objectives of Section 6(b)(4),⁹ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

The Exchange believes that the proposed technical amendment to Footnote 9 and Flag CL to include BATS BZX as one of the primary listing exchanges adds additional transparency to its fee schedule for investors as it brings the schedule up-to-date to account for a new listing exchange. The Exchange also believes that the amendments to Flags 8,9, and CL to remove the specific "ROOC routing strategy" from those flags descriptions provides additional transparency to the fee schedule by broadening those flags applicability to several routing strategies. This encourages Members to utilize the Exchange to route to various destinations. The Exchange believes that the proposed technical amendment to delete Flag H and replace it with Flag HA promotes market transparency and improves investor protection by adding additional transparency to its fee schedule by alerting Members of the name change for the flag.

In addition, the Exchange believes that the proposed pass-through of rates for Flags 9, 10, RA, RB, RC, RM, RS, RW, RY, and RZ represent an equitable allocation of reasonable dues, fees and other charges since it reflects the pass-through of the rates associated with transactions done on other exchanges, as described above. In addition, EDGX believes that it is reasonable and equitable to pass-through certain rates to its Members. The Exchange also believes that the proposed pass-through of rates is non-discriminatory because it applies to all Members.

⁷ This occurs when two orders presented to the Exchange from the same Member (i.e., MPID) are presented separately and not in a paired manner, but nonetheless inadvertently match with one another. Members are advised to consult Rule 12.2 respecting fictitious trading.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

In addition, the Exchange believes that adding an additional method to achieve rebates of \$0.0034 per share and \$0.0030 per share, respectively, that are tied to January 2012 baselines and Tape B volume also represents an equitable allocation of reasonable dues, fees, and other charges since it encourages Members, based on growth over new baselines and in a new subset of securities (Tape B), to add increasing amounts of liquidity to EDGX each month. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of higher rebates. The increased liquidity also benefits all investors by deepening EDGX's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based rebates such as the ones proposed herein have been widely adopted in the cash equities markets, and are equitable because they are open to all Members on an equal basis and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. In addition, the rebates specific for Tape B securities are also reasonable in that other exchanges also employ similar pricing mechanisms. For example, Nasdaq OMX charges \$0.0027 per share for market participant identifiers ("MPIDs") removing 1.50% and adding 0.50% of Tape B consolidated volume, and MPIDs that remove 0.50% and add 0.25% of Tape B consolidated volume are charged \$0.0028 per share. All other MPIDs are charged \$0.0030 per share.¹⁰ Similarly, NYSE Arca has rebates and fees that are specific to adding/removing in Tape B securities throughout their fee schedule.¹¹

Finally, the Exchange believes that the rebates of \$ 0.0034 per share and \$0.0032 per share for the new Tape B tiers also represent an equitable allocation of reasonable dues, fees, and other charges since higher rebates are directly correlated with more stringent criteria.

Currently, the Mega Tier rebates of \$0.0034/\$0.0032 per share have the most stringent criteria associated with them, and are \$0.0003/\$0.0001 greater than the Ultra Tier rebate (\$0.0031 per share) and \$0.0006/\$0.0004 greater than the Super Tier rebate (\$0.0028 per share).

For example, in order for a Member to qualify for the Mega Tier rebate of \$0.0034, the Member would have to add or route at least 4,000,000 shares of average daily volume during pre and post-trading hours and add a minimum of 20,000,000 shares of ADV on EDGX in total, including during both market hours and pre and post-trading hours. The criteria for this tier is the most stringent as fewer Members

¹⁰ See Nasdaq OMX Rule 7018.

¹¹ See NYSE Arca Equities, Inc. Schedule of Fees and Charges for Exchange Services.

generally trade during pre and post-trading hours because of the limited time parameters associated with these trading sessions. The Exchange believes that this higher rebate awarded to Members would incent liquidity during these trading sessions.

In order to qualify for an equivalent rebate of \$0.0034 per share (Mega Tape B tier), a Member would have to (i) post greater than or equal to .10% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) post greater than or equal to .10% of the TCV in ADV in Tape B securities more than their January 2012 ADV (baseline) added to EDGX. Assuming a TCV for January 2012 of 8.0 billion and a January 2012 ADV of 1 million shares, the Member would have to post greater than or equal to 9 million shares (8 million shares more than their January 2012 baseline of 1 million shares in ADV added to EDGX), and post greater than or equal to 9 million shares in Tape B securities to EDGX).

Another way a Member can qualify for the Mega Tier (with a rebate of \$0.0032 per share) would be to post 0.75% of TCV. Assuming an average TCV for January 2012 (8.0 billion), this would be 60 million shares on EDGX. A second method to qualify for the rebate of \$0.0032 per share would be to post 0.12% of the TCV (9.6 million shares) more than the Member's February 2011 or (as proposed, December 2011) ADV added to EDGX. Assuming the Member's February 2011/December 2011 ADVs are 1 million shares, the Exchange believes that requiring Members to post 10.6 million more shares than a February or December 2011 baseline ADV encourages Members to add increasing amounts of liquidity to EDGX each month. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of higher rebates. The increased liquidity also benefits all investors by deepening EDGX's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based rebates such as the ones proposed herein have been widely adopted in the cash equities markets, and are equitable because they are open to all Members on an equal basis and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes.

A Member can also qualify for the Mega Tier rebate of \$0.0032 per share by adding or routing at least 4,000,000 shares of ADV prior to 9:30 AM or after 4:00 PM (includes all flags except 6) and adding a minimum of .20% of the TCV on a daily basis measured monthly, including during both market hours and/or pre and post-trading hours. Based on an average TCV for January 2012 (8.0 billion shares), a Member would qualify by adding 16 million shares during both market hours and/or pre and post-trading hours and adding or routing at least 4,000,000 shares of ADV during pre and post trading hours. The Exchange notes that fewer Members generally trade during pre and post-trading hours because of the limited time parameters associated with these trading sessions. Therefore, the amount of shares that the Exchange requires to be added or routed to satisfy this tier is less than for the Ultra Tier, for example, which is based on posting liquidity to EDGX during regular trading hours. The Exchange believes that this higher

rebate awarded to Members would incent liquidity during these trading sessions. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of a higher rebate.

In order to qualify for the Ultra Tier, which has less stringent criteria than the Mega Tier and Mega Tape B Tier, and be provided a rebate of \$0.0031 per share, the Member would have to post 0.50% of TCV. Based on average TCV for January 2012 (8.0 billion shares), this would be 40 million shares on EDGX.

Members can qualify for the Mini Tape B Tier and be provided a \$0.0030 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .05% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) posts greater than or equal to .05% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX. Based on a TCV of 8.0 billion shares for January 2012 and a Member's ADV for January 2012 of 1 million shares (baseline), this would amount to (i) posting greater than or equal to 5 million shares to EDGX; and (ii) posting greater than or equal to 5 million shares in Tape B securities to EDGX.

The Super Tier has the least stringent criteria of the tiers mentioned above. In order for a Member to qualify for this rebate, the Member would have to post at least 10 million shares on EDGX and would qualify for a rebate of \$0.0028 per share. As stated above, these rebates also result, in part, from lower administrative and other costs associated with higher volume. The reduction in rebate would allow the Exchange to recoup additional revenue to recover increased infrastructure and administrative expenses. This rebate also results, in part, from lower administrative and other costs associated with higher volume.

Another way a Member can qualify for a rebate of \$0.0028 per share is to post 0.065% of the TCV in ADV more than their February 2011 ADV added to EDGX. This tier allows Members even greater flexibility with respect to achieving an additional rebate and rewards growth patterns in volume by Members as this rebate's conditions encourage Members to add increasing amounts of liquidity to EDGX each month. Based on an ADV in February 2011 (baseline) of 1,000,000 shares, the Member would have to add 6.2 million shares total to qualify for such rebate. This rebate also results, in part, from lower administrative and other costs associated with higher volume.

The Exchange believes that the rebate for the internalization tier of \$0.00015 per share represents an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities since it allows Members of the Exchange who inadvertently match against each other on both sides of a trade to avoid having to be penalized by paying an internalization fee of \$0.00035 per share per side during regular or pre and post trading sessions (Flags E/5) or a fee of \$0.0001 per share per side if they met the tier provided in footnote 11 of the fee schedule.

Finally, the internalization rebate is equitable in that it is in line with the EDGX fee structure¹² which currently has a maker/taker spread of \$0.0006 per share (the standard rebate to add liquidity on EDGX is \$0.0023 per share, while the standard fee to remove liquidity is \$0.0029 per share). EDGX also has a variety of tiered rebates ranging from \$0.0023- \$0.0034 per share, which makes its maker/taker spreads range from \$.0006 (standard add – standard removal rate), -\$0.0001 (standard removal rate -Super Tier rebate), -\$0.0002, (standard removal rate – Ultra Tier rebate),-\$0.0003 (standard removal rate - Mega Tier rebate of \$0.0032), and -\$0.0005 (standard removal rate - Mega Tier rebate of \$0.0034 per share). As a result of the customer internalization rebate, Members who internalized and met the criteria to satisfy the Mega Tier and the volume threshold of 4% of their ADV on EDGX would be rebated \$0.00015 per share per side of an execution (total rebate of \$0.0003 per share), which would be an internalization rate that is no more favorable the prevailing maker/taker spread by satisfying the Mega Tier rebate of \$0.0032 (\$-0.0003).

The Exchange also notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

4. Self-Regulatory Organization's Statement on Burden on Competition

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

¹² In SR-EDGX-2011-13 (April 29, 2011), the Exchange represented that “it will work promptly to ensure that the internalization fee is no more favorable than each prevailing maker/taker spread.”

(a) This proposed rule change is filed pursuant to paragraph (A) of section 19(b)(3) of the Exchange Act.

(b) This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Exchange Act Section 19(b)(3)(A).

(c) Inapplicable.

(d) Inapplicable.

8. Proposed Rule change Based on Rules of Another Self-Regulatory Organization or of the Commission

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EDGX-2012-06

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 29, 2012 the EDGX Exchange, Inc. (the "Exchange" or the "EDGX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

available on the Exchange's Internet website at <http://www.directedge.com>, at the Exchange's principal office, and at the Public Reference Room of the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Purpose

The Exchange proposes to make a technical amendment to the description of Footnote 9 and Flag CL to reflect the Securities and Exchange Commission's ("SEC" or the "Commission") approval of the BATS BZX Exchange ("BATS BZX") as a primary listing exchange.⁴ Therefore, Footnote 9 will state that Flag O will be yielded and a fee of \$0.0005 per share will be assessed if an order is routed to NYSE Arca & BATS BZX's closing process. This fee in footnote 9 (\$0.0005 per share) gives a flat rate for the NYSE Arca & BATS BZX's closing processes, which is lower than other primary listing markets. Flag CL will apply to orders routed to a primary listing market's closing process except NYSE Arca and BATS BZX. In addition, the Exchange proposes to revise the descriptions on Flags CL, 8, and 9 to broaden their

⁴ See Securities and Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018).

applicability to several routing strategies rather than just ROOC.⁵ Therefore, the Exchange proposes that Flag CL state “Routed to listing market closing process except NYSE Arca & BATS BZX.” The Exchange proposes conforming amendments to Flags 8 and 9 to delete the ROOC routing strategy from the descriptions of these flags.

The Exchange proposes to amend Flag 9 and Flag 10 of its fee schedule. At this time, NYSE Arca offers its Members a rebate of \$0.0021 for orders that add liquidity on Tapes A or C and a rebate of \$0.0022 for orders that add liquidity on Tape B. The Exchange proposes to amend Flag 9 to account for the pass-through of the NYSE Arca rebate for adding liquidity through Tapes A or C and to create Flag 10 to account for the pass-through of the NYSE Arca rebate for adding liquidity on Tape B.

The Exchange proposes to make a technical amendment by re-naming Flag H as Flag HA, which represents all non-displayed orders that add liquidity (not including Midpoint Match orders). Flag HA will identify all non-displayed orders that add liquidity to EDGX, not including Midpoint Match orders, and the Exchange will continue to provide a rebate of \$0.0015 per share. Finally, the Exchange proposes to make technical amendments to Flags G, L, N, and 3 to replace the “and” connector with “or” (i.e., “Tapes A or C” instead of “Tapes A and C”) to make these references accurate.

In SR-EDGX-2011-37,⁶ the Exchange amended several routing options contained in Rule 11.9(b)(3) to allow Users⁷ more discretion if shares remain

⁵ See EDGX Exchange Rule 11.9(b)(3)(n).

⁶ See Securities Exchange Act Release No. 65903 (December 6, 2011), 76 FR 77284 (December 12, 2011) (SR-EDGX-2011-37).

⁷ As defined in Rule 1.5(ee).

unexecuted after routing. In particular, Rule 11.9(b)(3)(c)(i)-(iii) was amended to provide that Users may elect that any remainder of an order be posted to another destination on the System routing table. In conjunction with this amendment, the Exchange proposes to create the following new flags⁸:

The Exchange proposes to add Flag RB for orders that are routed from EDGX to Nasdaq OMX BX and add liquidity. The Exchange proposes to assess a charge of \$0.0018 per share to account for the pass-through of the Nasdaq OMX BX fee for adding liquidity.

The Exchange proposes to add Flag RC for orders that are routed from EDGX to the National Stock Exchange, Inc. (“NSX”) and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0026 per share to account for the pass-through of the NSX rebate for adding liquidity.

The Exchange proposes to add Flag RM for orders that are routed from EDGX to the Chicago Stock Exchange, LLC (“CHX”) and add liquidity. The Exchange proposes to assess no charge to account for the pass-through of no CHX fee for adding liquidity.

The Exchange proposes to add Flag RS for orders that are routed from EDGX to the Nasdaq OMX PSX (“PSX”) and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0024 per share to account for the pass-through of the PSX rebate for adding liquidity.

The Exchange proposes to add Flag RW for orders that are routed from EDGX to the CBOE Stock Exchange, LLC (“CBSX”) and add liquidity. The Exchange

⁸ These flags account for all postable destinations that are not already accounted for by other flags on the fee schedule.

proposes to assess a charge of \$0.0017 per share to account for the pass-through of the CBSX fee for adding liquidity.

The Exchange proposes to add Flag RY for orders that are routed from EDGX to the BATS BYX and add liquidity. The Exchange proposes to assess a charge of \$0.0003 per share to account for the pass-through of the BATS BYX fee for adding liquidity.

The Exchange proposes to add Flag RA for orders that are routed from EDGX to EDGA Exchange, Inc. (“EDGA”) and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0004 per share to account for the pass-through of the EDGA fee for adding liquidity.

The Exchange proposes to add Flag RZ for orders that are routed from EDGX to the BATS BZX and add liquidity. The Exchange proposes to offer Members a rebate of \$0.0025 per share to account for the pass-through of the BATS BZX rebate for adding liquidity to BATS BZX.

Additional Changes to the EDGX Fee Schedule

The Exchange proposes to add three additional rebates to the fee schedule:

First, Members can qualify for the Mega Tape B Tier and be provided a \$0.0034 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .10% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) posts greater than or equal to .10% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX.

Secondly, Members can qualify for the Mini Tape B Tier and be provided a \$0.0030 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .05% of the TCV in ADV more

than their January 2012 ADV to EDGX; and (ii) posts greater than or equal to .05% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX.

Finally, the Exchange proposes to amend footnote 11 on its fee schedule to provide that if a Member internalizes more than 4% of their ADV on EDGX (added, removed, and routed liquidity) and the Member, at a minimum, meets the criteria for the Mega Tier rebate of \$0.0032 per share in footnote 1, then the Member's internalization⁹ rate would be a rebate of \$0.00015 per share, instead of a fee of \$0.0001 per share if they met the tier provided in footnote 11 (posting 10,000,000 shares of more of ADV to EDGX) or a fee of \$0.00035 per share if a Member did not meet the tier.

The Exchange proposes to implement these amendments to its fee schedule on March 1, 2012.

Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(4),¹¹ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

⁹ This occurs when two orders presented to the Exchange from the same Member (i.e., MPID) are presented separately and not in a paired manner, but nonetheless inadvertently match with one another. Members are advised to consult Rule 12.2 respecting fictitious trading.

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposed technical amendment to Footnote 9 and Flag CL to include BATS BZX as one of the primary listing exchanges adds additional transparency to its fee schedule for investors as it brings the schedule up-to-date to account for a new listing exchange. The Exchange also believes that the amendments to Flags 8,9, and CL to remove the specific “ROOC routing strategy” from those flags descriptions provides additional transparency to the fee schedule by broadening those flags applicability to several routing strategies. This encourages Members to utilize the Exchange to route to various destinations. The Exchange believes that the proposed technical amendment to delete Flag H and replace it with Flag HA promotes market transparency and improves investor protection by adding additional transparency to its fee schedule by alerting Members of the name change for the flag.

In addition, the Exchange believes that the proposed pass-through of rates for Flags 9, 10, RA, RB, RC, RM, RS, RW, RY, and RZ represent an equitable allocation of reasonable dues, fees and other charges since it reflects the pass-through of the rates associated with transactions done on other exchanges, as described above. In addition, EDGX believes that it is reasonable and equitable to pass-through certain rates to its Members. The Exchange also believes that the proposed pass-through of rates is non-discriminatory because it applies to all Members.

In addition, the Exchange believes that adding an additional method to achieve rebates of \$0.0034 per share and \$0.0030 per share, respectively, that are tied to January 2012 baselines and Tape B volume also represents an equitable allocation of reasonable dues, fees, and other charges since it encourages Members, based on growth

over new baselines and in a new subset of securities (Tape B), to add increasing amounts of liquidity to EDGX each month. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of higher rebates. The increased liquidity also benefits all investors by deepening EDGX's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based rebates such as the ones proposed herein have been widely adopted in the cash equities markets, and are equitable because they are open to all Members on an equal basis and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. In addition, the rebates specific for Tape B securities are also reasonable in that other exchanges also employ similar pricing mechanisms. For example, Nasdaq OMX charges \$0.0027 per share for market participant identifiers ("MPIDs") removing 1.50% and adding 0.50% of Tape B consolidated volume, and MPIDs that remove 0.50% and add 0.25% of Tape B consolidated volume are charged \$0.0028 per share. All other MPIDs are charged \$0.0030 per share.¹² Similarly, NYSE Arca has rebates and fees that are specific to adding/removing in Tape B securities throughout their fee schedule.¹³

¹² See Nasdaq OMX Rule 7018.

¹³ See NYSE Arca Equities, Inc. Schedule of Fees and Charges for Exchange

Finally, the Exchange believes that the rebates of \$ 0.0034 per share and \$0.0032 per share for the new Tape B tiers also represent an equitable allocation of reasonable dues, fees, and other charges since higher rebates are directly correlated with more stringent criteria.

Currently, the Mega Tier rebates of \$0.0034/\$0.0032 per share have the most stringent criteria associated with them, and are \$0.0003/\$0.0001 greater than the Ultra Tier rebate (\$0.0031 per share) and \$0.0006/\$0.0004 greater than the Super Tier rebate (\$0.0028 per share).

For example, in order for a Member to qualify for the Mega Tier rebate of \$0.0034, the Member would have to add or route at least 4,000,000 shares of average daily volume during pre and post-trading hours and add a minimum of 20,000,000 shares of ADV on EDGX in total, including during both market hours and pre and post-trading hours. The criteria for this tier is the most stringent as fewer Members generally trade during pre and post-trading hours because of the limited time parameters associated with these trading sessions. The Exchange believes that this higher rebate awarded to Members would incent liquidity during these trading sessions.

In order to qualify for an equivalent rebate of \$0.0034 per share (Mega Tape B tier), a Member would have to (i) post greater than or equal to .10% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) post greater than or equal to .10% of the TCV in ADV in Tape B securities more than their January 2012 ADV (baseline) added to EDGX. Assuming a TCV for January 2012 of 8.0 billion and a January 2012 ADV of 1 million shares, the Member would have to post greater than

or equal to 9 million shares (8 million shares more than their January 2012 baseline of 1 million shares in ADV added to EDGX), and post greater than or equal to 9 million shares in Tape B securities to EDGX).

Another way a Member can qualify for the Mega Tier (with a rebate of \$0.0032 per share) would be to post 0.75% of TCV. Assuming an average TCV for January 2012 (8.0 billion), this would be 60 million shares on EDGX. A second method to qualify for the rebate of \$0.0032 per share would be to post 0.12% of the TCV (9.6 million shares) more than the Member's February 2011 or (as proposed, December 2011) ADV added to EDGX. Assuming the Member's February 2011/December 2011 ADVs are 1 million shares, the Exchange believes that requiring Members to post 10.6 million more shares than a February or December 2011 baseline ADV encourages Members to add increasing amounts of liquidity to EDGX each month. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of higher rebates. The increased liquidity also benefits all investors by deepening EDGX's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based rebates such as the ones proposed herein have been widely adopted in the cash equities markets, and are equitable because they are open to all Members on an equal basis and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of

liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes.

A Member can also qualify for the Mega Tier rebate of \$0.0032 per share by adding or routing at least 4,000,000 shares of ADV prior to 9:30 AM or after 4:00 PM (includes all flags except 6) and adding a minimum of .20% of the TCV on a daily basis measured monthly, including during both market hours and/or pre and post-trading hours. Based on an average TCV for January 2012 (8.0 billion shares), a Member would qualify by adding 16 million shares during both market hours and/or pre and post-trading hours and adding or routing at least 4,000,000 shares of ADV during pre and post trading hours. The Exchange notes that fewer Members generally trade during pre and post-trading hours because of the limited time parameters associated with these trading sessions. Therefore, the amount of shares that the Exchange requires to be added or routed to satisfy this tier is less than for the Ultra Tier, for example, which is based on posting liquidity to EDGX during regular trading hours. The Exchange believes that this higher rebate awarded to Members would incent liquidity during these trading sessions. Such increased volume increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of a higher rebate.

In order to qualify for the Ultra Tier, which has less stringent criteria than the Mega Tier and Mega Tape B Tier, and be provided a rebate of \$0.0031 per share, the Member would have to post 0.50% of TCV. Based on average TCV for January 2012 (8.0 billion shares), this would be 40 million shares on EDGX.

Members can qualify for the Mini Tape B Tier and be provided a \$0.0030 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .05% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) posts greater than or equal to .05% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX. Based on a TCV of 8.0 billion shares for January 2012 and a Member's ADV for January 2012 of 1 million shares (baseline), this would amount to (i) posting greater than or equal to 5 million shares to EDGX; and (ii) posting greater than or equal to 5 million shares in Tape B securities to EDGX.

The Super Tier has the least stringent criteria of the tiers mentioned above. In order for a Member to qualify for this rebate, the Member would have to post at least 10 million shares on EDGX and would qualify for a rebate of \$0.0028 per share. As stated above, these rebates also result, in part, from lower administrative and other costs associated with higher volume. The reduction in rebate would allow the Exchange to recoup additional revenue to recover increased infrastructure and administrative expenses. This rebate also results, in part, from lower administrative and other costs associated with higher volume.

Another way a Member can qualify for a rebate of \$0.0028 per share is to post 0.065% of the TCV in ADV more than their February 2011 ADV added to EDGX. This tier allows Members even greater flexibility with respect to achieving an additional rebate and rewards growth patterns in volume by Members as this rebate's conditions encourage Members to add increasing amounts of liquidity to EDGX each month. Based on an ADV in February 2011 (baseline) of 1,000,000 shares, the Member

would have to add 6.2 million shares total to qualify for such rebate. This rebate also results, in part, from lower administrative and other costs associated with higher volume.

The Exchange believes that the rebate for the internalization tier of \$0.00015 per share represents an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities since it allows Members of the Exchange who inadvertently match against each other on both sides of a trade to avoid having to be penalized by paying an internalization fee of \$0.00035 per share per side during regular or pre and post trading sessions (Flags E/5) or a fee of \$0.0001 per share per side if they met the tier provided in footnote 11 of the fee schedule.

Finally, the internalization rebate is equitable in that it is in line with the EDGX fee structure¹⁴ which currently has a maker/taker spread of \$0.0006 per share (the standard rebate to add liquidity on EDGX is \$0.0023 per share, while the standard fee to remove liquidity is \$0.0029 per share). EDGX also has a variety of tiered rebates ranging from \$0.0023- \$0.0034 per share, which makes its maker/taker spreads range from \$0.0006 (standard add – standard removal rate), -\$0.0001 (standard removal rate - Super Tier rebate), -\$0.0002, (standard removal rate – Ultra Tier rebate), -\$0.0003 (standard removal rate - Mega Tier rebate of \$0.0032), and -\$0.0005 (standard removal rate - Mega Tier rebate of \$0.0034 per share). As a result of the customer internalization rebate, Members who internalized and met the criteria to satisfy the Mega Tier and the volume threshold of 4% of their ADV on EDGX would be rebated \$0.00015 per share per side of an execution (total rebate of \$0.0003 per share), which

¹⁴ In SR-EDGX-2011-13 (April 29, 2011), the Exchange represented that “it will work promptly to ensure that the internalization fee is no more favorable than each prevailing maker/taker spread.”

would be an internalization rate that is no more favorable the prevailing maker/taker spread by satisfying the Mega Tier rebate of \$0.0032 (\$-0.0003).

The Exchange also notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3) of the Act¹⁵ and Rule 19b-4(f)(2)¹⁶ thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 19b-4(f)(2).

rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an E-mail to rule-comments@sec.gov. Please include File No. SR-EDGX-2012-06 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-EDGX-2012-06. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be

available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-EDGX-2012-06 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5Additions underlined

Deletions [bracketed]

EDGX Exchange Fee Schedule – Effective [February 13] March 1, 2012Download in pdf format.

[The schedule can be downloaded in both excel and pdf formats.]

Rebates & Charges for Adding, Removing or Routing Liquidity per Share for Tape A, B, & C Securities^{1,a,b}:
 Rebates indicated by parentheses ()

Category	Adding Liquidity	Removing Liquidity	Routing Liquidity
Securities at or above \$1.00	\$(0.0023) ^{1,a}	\$0.0029 ^{1,12}	\$0.0029
Securities below \$1.00	\$(0.00003)	0.10% of Dollar Value	0.30% of Dollar Value ^{3,a}

Liquidity Flags and Associated Fees:

Unless otherwise noted, the following rebates and fees apply to orders in securities priced \$1 and over.

Flag	Description	Fee/(Rebate)
A	Routed to [Nasdaq] <u>NASDAQ</u> , adds liquidity	(0.0020)
B ^{1,a,12}	Add liquidity to EDGX book (Tape B)	(0.0023)
C ^{3,a}	Routed to [Nasdaq] BX, removes liquidity	(0.0005)
D ^{3,a}	Routed or re-routed to NYSE, removes liquidity	0.0023
E ¹¹	Customer internalization, per side	0.00035
F	Routed to NYSE, adds liquidity	(0.0015)
G	Routed to <u>NYSE Arca</u> [ARCA] (Tapes A [&] <u>or</u> C), removes liquidity	0.0030

[H^{1,12}]	[Non-Displayed Orders that add liquidity (not including Midpoint Match orders)]	[(0.0015)]
I	Routed to EDGA	0.0029
J^{3,a}	Routed to [Nasdaq] <u>NASDAQ</u>, removes liquidity	0.0030
K	Routed to BATS BZX Exchange using ROBA routing strategy (EDGX + BATS) OR Routed to [Nasdaq] PSX using ROUC routing strategy	0.0025
L³	Routed to [Nasdaq] <u>NASDAQ</u> using INET routing strategy, removes liquidity (Tapes A [&] or C)	0.0030
M^{6,a}	Add liquidity on LavaFlow	(0.0024)
N^{1,12}	Remove liquidity from EDGX book (Tapes B [&] or C)	0.0029
O^{5,a}	Routed to primary exchange's opening cross	0.0005
Q	Routed using ROUQ or ROUC routing strategies	0.0020
R	Re-routed by exchange	0.0030
S	Directed ISO order	0.0032
T	Routed using ROUD/ROUE routing strategy	0.0012
U^{6,a}	Remove liquidity from LavaFlow	0.0029
V^{1,a,12}	Add liquidity to EDGX book (Tape A)	(0.0023)
W^{1,12}	Remove liquidity from EDGX book (Tape A)	0.0029
X	Routed	0.0029
Y^{1,a,12}	Add liquidity to EDGX book (Tape C)	(0.0023)
Z	Routed using ROUZ routing strategy	0.0010
2³	Routed to [Nasdaq] <u>NASDAQ</u> using INET routing strategy, removes liquidity (Tape B)	0.0030
3^{1,a,12}	Add liquidity – pre & post market (Tapes A [&] or C)	(0.0023)
4^{1,a,12}	Add liquidity – pre & post market (Tape B)	(0.0023)
5¹¹	Customer Internalization – pre & post market, per side	0.00035
6^{1,12}	Remove liquidity – pre & post market (All Tapes)	0.0029
7	Routed – pre & post market	0.0030
8	Routed to NYSE Amex [using the ROOC routing strategy], adds liquidity	(0.0015)
9	Routed to NYSE Arca [using the ROOC routing strategy], adds liquidity	(0.0021)

	<u>(Tapes A or C)</u>	
10	<u>Routed to NYSE Arca, adds liquidity (Tape B)</u>	<u>(0.0022)</u>
AA	<u>Midpoint Match Cross (same MPID)</u>	FREE
BY¹⁰	<u>Routed to BATS BYX Exchange, removes liquidity (using routing strategies ROUC, ROBY)</u>	<u>(0.0002)</u>
CL⁹	<u>Routed to listing market closing process [using ROOC routing strategy], except for NYSE Arca & BATS BZX</u>	0.0010
HA^{1,12}	<u>Non-Displayed Orders that add liquidity (not including Midpoint Match orders)</u>	<u>(0.0015)</u>
MM^{1,12}	<u>Add liquidity to Midpoint Match (using Midpoint Match order type)</u>	0.0012
MT	<u>Remove liquidity from Midpoint Match (using Midpoint Match order type)</u>	0.0012
OO	<u>Direct Edge Opening</u>	0.0010
PI¹²	<u>Remove liquidity from EDGX book against Midpoint Match</u>	0.0029
RA	<u>Routed to EDGA, adds liquidity</u>	<u>(0.0004)</u>
RB	<u>Routed to BX, adds liquidity</u>	<u>0.0018</u>
RC	<u>Routed to NSX, adds liquidity</u>	<u>(0.0026)</u>
RM	<u>Routed to CHX, adds liquidity</u>	FREE
RR	<u>Routed to EDGA using routing strategies IOCX or IOCT, removes liquidity</u>	0.0007
RS	<u>Routed to PSX, adds liquidity</u>	<u>(0.0024)</u>
RW	<u>Routed to CBSX, adds liquidity</u>	<u>0.0017</u>
RY	<u>Routed to BATS BYX, adds liquidity</u>	<u>0.0003</u>
RZ	<u>Routed to BATS BZX, adds liquidity</u>	<u>(0.0025)</u>
SW⁸	<u>Routed using SWPA/SWPB/SWPC routing strategies (except for removal of liquidity from NYSE)</u>	0.0031

¹ Members can qualify for the Mega Tier and be provided a rebate of \$0.0034 per share for all liquidity posted on EDGX if they add or route at least 4,000,000 shares of average daily volume (“ADV”) prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 20,000,000 shares of ADV [average daily volume] on EDGX in total, including during both market hours and pre and post-trading hours. Alternatively, Members can also qualify for the Mega Tier, but will be provided a rebate of \$0.0032 per share for all liquidity posted on EDGX if they add or route at least 4,000,000 shares of ADV[average daily volume] prior to 9:30 AM or after 4:00 PM (includes all flags except 6) and add a minimum of .20% of the Total Consolidated Volume (“TCV”) on a daily basis

measured monthly, including during both market hours and pre and post-trading hours. In addition, for meeting the aforementioned criteria, Members will pay a reduced rate for removing liquidity of \$0.0029 for Flags N, W, and 6.

Members can qualify for the Mega Tape B Tier and be provided a \$0.0034 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .10% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) posts greater than or equal to .10% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX.

Members can also qualify for the Mega Tier and be provided a \$0.0032 rebate per share for liquidity added on EDGX in either of two ways: (i) if the Member on a daily basis, measured monthly, posts 0.75% of the [Total Consolidated Volume][("TCV")] in ADV[average daily volume]; or (ii) if the Member on a daily basis, measured monthly, posts 0.12% of the TCV in ADV[average daily volume] more than their February 2011 ADV[average daily volume] added to EDGX. TCV is defined as volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month prior to the month in which the fees are calculated.

Members can qualify for the Ultra Tier and be provided a \$0.0031 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 0.50% of TCV in ADV[average daily volume] to EDGX.

Members can qualify for the Mini Tape B Tier and be provided a \$0.0030 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly: (i) posts greater than or equal to .05% of the TCV in ADV more than their January 2012 ADV added to EDGX; and (ii) posts greater than or equal to .05% of the TCV in ADV in Tape B securities more than their January 2012 ADV added to EDGX.

Members can qualify for the Super Tier and be provided a \$0.0028 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 10,000,000 shares or more of ADV[average daily volume] to EDGX.

Members that post 0.065% of the TCV in ADV[average daily volume] more than their February 2011 ADV[average daily volume] added to EDGX will qualify for a \$0.0028 per share rebate (unless they otherwise qualify for a higher rebate).

Any Member meeting the following criteria: (i) adding 10,000,000 shares or more of ADV[average daily volume] of liquidity to EDGX, (ii) where such added liquidity on EDGX is at least 5,000,000 shares of ADV[average daily volume] greater than the previous calendar month; and (iii) but for the liquidity added on EDGX, such Member would have qualified for a better rebate with respect to liquidity added on another exchange or ECN that the Member previously qualified for in the three calendar months prior to meeting

the above-described criteria in (i) and (ii), shall be reimbursed the difference between the rebate received and the rebate potentially received, so long as source documentation evidencing the above is provided to the Exchange within fifteen (15) calendar days from the end of the relevant month. A Member can only receive reimbursement with respect to two consecutive calendar months. With respect to the second calendar month's reimbursement, the relevant period in determining whether criteria (iii) is satisfied is the period three calendar months prior to the first of the two consecutive calendar months the Member meets the above-described criteria in (i) and (ii).

² Intentionally omitted.

³ Stocks priced below \$1.00 on the NYSE are charged \$0.0023 per share when removing liquidity. Stocks priced below \$1.00 are charged 0.10% of the dollar value of the transaction when routed to [Nasdaq] BX and removing liquidity in Tapes A, B, & C securities. Stocks priced below \$1.00 are charged 0.30% of the dollar value of the transaction when routed to [Nasdaq] NASDAQ and removing liquidity in securities on all Tapes.

⁴ Intentionally omitted.

⁵ Capped at \$10,000 per month per Member.

⁶ If Member posts an average of 100,000 shares or more per day using strategy ROLF (yielding Flag M), then said Member's fee when removing liquidity from LavaFlow decreases to \$0.0023 per share (yielding Flag U).

⁷ Intentionally omitted.

⁸ Flag D is assigned and a fee of \$0.0023 per share is assessed if either an SWPA, SWPB, or SWPC routing strategy removes liquidity from NYSE.

⁹ A Flag "O" will be yielded and a fee of \$0.0005 per share will be assessed if an order is routed to NYSE Arca & BATS BZX's closing processes.

¹⁰ Stocks priced below \$1.00 are charged \$0.0010 per share.

¹¹ If a Member posts 10,000,000 shares or more of ADV to EDGX, then the Member's rate for customer internalization decreases to \$0.0001 per share per side. If a Member internalizes more than 4% of their ADV on EDGX (added, removed, and routed liquidity) and the Member,

at a minimum, meets the criteria for the Mega Tier rebate of \$0.0032 per share in footnote 1, above, then the Member receives a rebate of \$0.00015 per share.

¹² A removal rate of \$0.0029 per share applies where an MPID's add liquidity ratio is equal to or greater than 10%. The add liquidity ratio is defined as "added" flags/("added" flags + "removal" flags) x 100, where added flags include B, H, V, Y, MM, 3, or 4 and removal flags include MT, N, W, PI, or 6. The removal rate of \$0.0029 per share applies to single MPIDs only as share volume calculations for wholly owned affiliates cannot be aggregated across multiple MPIDs on a prospective basis. Where a Member does not meet the add liquidity ratio of at least 10%, then a removal rate of \$0.0030 per share applies.

^a Upon a Member's request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis.

^b Trading activity on days when the market closes early does not count toward volume tiers.

* * * * *