

SUPPLEMENTAL LIQUIDITY PROVIDERS

SLPS ARE UPSTAIRS, ELECTRONIC, HIGH-VOLUME MEMBERS INCENTED TO ADD LIQUIDITY ON THE NYSE.

MORE LIQUIDITY AND COMPETITION

In order to add liquidity to our marketplace, NYSE established a new class of market participants called Supplemental Liquidity Providers (SLPs). SLPs are upstairs, electronic, high-volume members with financial incentive to add liquidity on the NYSE. They complement and compete with existing quote providers.

Each SLP has a cross section of NYSE-listed securities and is obligated to maintain a bid or offer at the National Best Bid or Offer (NBBO) in each of their assigned securities at least 10% of the trading day. SLPs are also required to average 10 million shares a day in provided volume to qualify for enhanced financial rebates.

The NYSE rewards competitive quoting by SLPs with a financial rebate when the SLP posts liquidity in an assigned security that executes against incoming orders. This generates more quoting activity, leading to tighter spreads and greater liquidity at each price level.

ADDITIONAL REQUIREMENTS FOR SLPs:

- Must be an NYSE member organization that is a Designated Market Maker (DMM) or Upstairs Member Organization
- SLPs trade only for their proprietary accounts, not for public customers or on an agency basis
- There can be multiple SLPs in each issue
- A member organization cannot act as a Designated Market Maker and SLP in the same security if both entities are in the same aggregation unit
- SLPs have the same publicly available trading information and market data that all other NYSE customers have available to them

FURTHER INFORMATION

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