

Additions underlined.
Deletions [bracketed].

Rules of NYSE American LLC

Trading of Option Contracts

Section 900NY. Rules Principally Applicable to Trading of Option Contracts

Rules with a “P” modifier are operative for symbols that are trading on the Pillar trading platform. If a symbol is trading on the Pillar trading platform, a rule with the same number as a rule with a “P” modifier will no longer be operative for that symbol. The Exchange will announce by Trader Update when symbols are trading on the Pillar trading platform.

Rule 900.3NYP. Orders and Modifiers

(a) Primary Order Types

(1) Market Order. An unpriced order message to buy or sell a stated number of option contracts at the best price obtainable, subject to the Trading Collar assigned to the order. A Market Order may be designated Day or GTC. Unexecuted Market Orders are ranked Priority 1 - Market Orders. For purposes of processing Market Orders, the Exchange will not use an adjusted NBBO.

(A) A Market Order that [arrives during] includes a designation for the Early Trading Session or the Late Trade Session [continuous trading] will be rejected. [,] A Market Order that arrives during continuous trading during the Core Trading Session, or that was routed, returns unexecuted, and has no resting quantity to join will be cancelled if:

(i) - (iii) No Change.

Rule 901NY. Hours of Business

(a) - (e) No Change

Commentary:

.01 No Change

.02 Options on ETFs and Options on Index-Linked Securities (or ETNs) may be traded on the Exchange from 9:30 a.m. to[until] 4:15 p.m. Eastern Time each business day.

.03 - .04 No Change.

Rule 901.1NY. Trading Sessions

(a) Sessions. The Exchange will have three trading sessions each day it is open for business unless otherwise determined by the Exchange.

(1) Early Trading Session. Except under unusual conditions as may be determined by the Exchange or its designee, the hours for the Early Trading Session for transactions in eligible equity options on the Exchange are from 7:30 a.m. to 9:25 a.m. Eastern Time Monday through Friday. The Early Open Auction will begin the Early Trading Session.

(2) Core Trading Session. Except as otherwise provided in this Rule or under unusual conditions as may be determined by the Exchange or its designee, the hours for the Core Trading Session for transactions on the Exchange are from 9:30 a.m. to 4:00 p.m. Eastern Time Monday through Friday. The Core Open Auction will begin Core Trading Hours.

(3) Late Trading Session. Except under unusual conditions as may be determined by the Exchange or its designee, the hours for the Late Trading Session for transactions in eligible equity options except for options on ETFs and index options that the Exchange has designated as eligible to remain open for trading until 4:15 p.m. in Rule 901NY are from 4:00 p.m. to 4:15 p.m. Eastern Time Monday through Friday.

(b) Session Designation.

(1) Any order entered into the Exchange must include a designation for which trading session(s) the order will remain in effect. Orders entered without a trading session designation will be rejected.

(2) An order is eligible to participate in the designated trading session(s) only and may remain in effect for one or more consecutive trading sessions on a particular day. Unless otherwise specified, an order designated for a later trading session will be accepted but not eligible to trade until the designated trading session begins. An order designated solely for a trading session that has already ended will be rejected.

(c) Holidays and Shortened Trading Days

(1) If there is no Core Trading Session, there will be no Early Trading Session or Late Trading Session.

(2) On a trading day with a shortened Core Trading Session:

(A) the Early Trading Session will occur prior to the shortened Core Trading Session; and

(B) the Late Trading Session will commence at the end of the shortened Core Trading Session and continue for 15 minutes.

(d) Order Types

(1) Market Orders, Good-'Til-Cancelled Orders, Market-on-Open Orders, Imbalance Offset Orders, Stop Orders, Stop Limit Orders, Complex Orders, Cross Orders, Limit-on-Open Orders, Reserve Orders, CUBE Orders, GTX Orders and Open Outcry Orders will not be permitted during the Early Trading Session and the Late Trading Session.

(2) Queuing/pre-open state for the Early Trading Session will work the same way as it does for the Core Trading Session. Early Trading Session orders will be accepted starting at 6:00 a.m. Eastern Time.

Commentary:

.01 Per Rule 901NY the Core Trading Session for Options on ETFs and Options on Index-Linked Securities (or ETNs) shall be between 9:30 a.m. and 4:15 p.m. each business day.

Rule 901.2NY. Extended Hours Trading

(a) Rule 901.2NY will apply only during Extended Hours Trading, as defined in subparagraph (b), below. Options traded during Extended Hours Trading will be subject to all other rules applicable to options on the Exchange, including, without limitation, the trading rules, listing rules and business conduct rules, unless the context otherwise requires.

(b) The term “Extended Hours Trading” shall mean trading during the Early Trading Session and the Late Trading Session.

(c) Designation. The Exchange may designate as eligible for trading during Extended Hours Trading up to 100 multiply listed equity option classes designated for trading under Rule 901 that satisfy the following criteria for the preceding six calendar months: (i) the

option has an average daily volume of 150,000 contracts; (ii) the underlying equity to the option has a \$50 billion market capitalization; and (iii) the underlying equity to the option has an average daily trading volume of 10 million shares. Equity option classes with an underlying security that is an Exchange-Traded Fund (“ETF”) or commodity-based trust share are exempt from the requirement set forth in Rule 901.2NY(c)(ii) in determining eligibility for trading during Extended Hours Trading. If the Exchange designates a class of equity options as eligible for trading during Extended Hours Trading, FLEX Options with the same underlying equity are also deemed eligible for trading during Extended Hours Trading, using those mechanisms that are made available during Extended Hours Trading.

- (1) The Exchange may waive the criteria set forth in this subparagraph (c) above if, during the three days following an underlying security’s initial public offering day, the underlying security has a market capitalization of at least \$3 billion based upon the offering price of its initial public offering, in which case options on the underlying security may be listed and traded during Extended Hours Trading starting on or after the second business day following the initial public offering day. Any equity option designated in this manner will not be subject to the 100 multiply listed option class limit established pursuant to this subparagraph.
- (2) The Exchange may also designate as eligible for trading during Extended Hours Trading any equity option that is traded on another exchange during the Early Trading Session, the Late Trading Session or any other trading session that is not the Core Trading Session, and any equity option designated in this manner will not be subject to the 100 multiply listed option class limit established pursuant to this subparagraph.
- (3) The Exchange will conduct a semiannual review as of January 1 and July 1 each year of options and underlying equities to determine the option classes that meet the criteria in this subparagraph (c) by using trading data from the previous six-month period. The Exchange may designate any option class for trading during Extended Hours Trading that meets the criteria established pursuant to this subparagraph (c) as eligible for Extended Hours Trading, and designated options may commence trading during Extended Hours Trading on the first trading day of February and August, respectively. Newly designated classes eligible for trading during Early Trading Hours will be published via Trader Update.
- (4) If the Exchange determines pursuant to the semiannual review conducted under subparagraph (c)(3) above that an option class ceases to satisfy the criteria in this subparagraph (c), the following shall apply:
 - (i) The option class may continue to trade during Extended Hours Trading for a period of up to 18 months from the date of such determination, and the Exchange shall determine and provide reasonable and advanced notice of the date such option shall be removed from trading in Extended Hours

Trading (“removal date”). Thereafter, the option class may trade during the Core Trading Session only.

- (ii) If at any time prior to the removal date provided pursuant to subparagraph (c)(4)(i) for an option class, the Exchange determines that the removal date should be accelerated based on limited market activity in the option class during Extended Hours Trading, the Exchange may determine a new, accelerated removal date and shall provide notice of such new removal date as soon as practicable, which notice must be issued at least seven days in advance of the new removal date. Thereafter, the option class may trade during the Core Trading Session only.
 - (iii) Notwithstanding subparagraphs (c)(4)(i) and (ii), if the Exchange determines pursuant to a semiannual review conducted under subparagraph (c)(3) and prior to the removal date that the option class satisfies the criteria in this subparagraph (c), the removal date will no longer apply to the option class, and the option class may continue to trade in Extended Hours Trading. The Exchange shall provide notice of any such changes in Extended Hours Trading eligibility.
 - (iv) If, at any time, the Exchange determines that an option class should be removed from Extended Hours Trading for any reason other than as described in subparagraph (c)(4), the Exchange shall provide notice of such determination, which notice must be issued at least 30 days prior to the removal date. Notwithstanding the preceding sentence, if the Exchange determines that immediate removal of an option class from Extended Hours Trading is necessary in the interest of investor protection or the maintenance of fair and orderly markets, the Exchange may remove an options class from Extended Hours Trading at any time and shall provide notice of such determination as soon as practicable. Any option class designated for removal from Extended Hours Trading pursuant to this subparagraph or subparagraph (c)(4)(i) and that is included in the 100 multiply listed option class limit established under this subparagraph (c) will continue to be included in the 100 multiply listed option class limit until the removal date of the option class.
- (d) Series. The Exchange may list for trading during Extended Hours Trading any series in an equity option designated as eligible for trading during Extended Hours Trading that it may list pursuant to Rule 901.
- (e) Electronic Trading. Trading during the Early Trading Session is electronic only. There is no open outcry trading on the floor during the Early Trading Session.
- (f) Disclosures. No ATP Holder may accept an order from a non-ATP Holder for execution during Extended Hours Trading without disclosing to such non-ATP Holder that trading during Extended Hours Trading involves material trading risks, including the possibility

of lower liquidity, high volatility, changing prices, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The disclosures required pursuant to this subparagraph may take the following form or such other form as provides substantially similar information:

- (1) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders and quotes that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity during Extended Hours Trading as compared to the Core Trading Session. As a result, your order may only be partially executed, or not at all.
- (2) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility during Extended Hours Trading than during the Core Trading Session. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during Extended Hours Trading as compared to the Core Trading Session.
- (3) Risk of Changing Prices. The prices of securities traded during Extended Hours Trading may not reflect the prices at the end of regular market hours. As a result, you may receive an inferior price during Extended Hours Trading as compared to the Core Trading Session.
- (4) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities outside of the Core Trading Session. Similarly, important financial information is frequently announced outside of the Core Trading Session. These announcements may occur during Extended Hours Trading and, if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- (5) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility during Extended Hours Trading may result in wider than normal spreads for a particular option.
- (6) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”) and Lack of Regular Trading in Securities Underlying Indexes. For certain products, an updated underlying index or portfolio value or IIV will not be calculated or publicly disseminated during Extended Trading Hours. Since the underlying index or portfolio value and IIV may not be calculated or widely disseminated during Extended Hours Trading, an investor who is unable to calculate implied values for certain products during Extended Hours Trading may be at a disadvantage to market professionals.

Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during the Core Trading Session, or may not be trading at all. This may cause prices during Extended Hours Trading to not reflect the prices of those securities when they open for trading.

(7) Additional Risks. Extended Hours Trading may present additional unforeseen risks in addition to those discussed above.

(g) Market Makers

(1) The same Market Maker appointments will apply across the Early Trading Session, Core Trading Session and Late Trading Session. Accordingly, if an option class is designated by the Exchange as eligible for trading during the Early Trading Session and the Late Trading Session pursuant to Sections (c) and (d), above, the Market Maker appointed to that option class pursuant to Rule 923NY will automatically be appointed in such option class during the Early Trading Session and Late Trading Session.

(2) During any given Early Trading Session or Late Trading Session, a Market Maker is not required to enter quotations in the option class to which it is appointed. If, however, a Market Maker chooses to enter quotations in its assigned option class during the Early Trading Session or Late Trading Session, it will be subject to the continuous quoting obligations in Rule 925.1NYP, which will apply across all trading sessions in which they quote, with the exception being that the Core Trading Session is always counted.

(3) A Market Maker that does not enter any quotations in their assigned option class during the Early Trading Session or Late Trading Session will not be subject to the continuous quoting obligations in Rule 925.1NYP for that class during either of those trading sessions. Notwithstanding the foregoing, nothing herein relieves the Market Maker of its continuous quoting obligations during the Core Trading Session.

(h) Specialists and e-Specialists.

(1) The same Specialist and e-Specialist (collectively “Specialist”) allocations will apply across the Early Trading Session, Core Trading Session and Late Trading Session. Accordingly, if an option class is designated by the Exchange as eligible for trading during the Early Trading Session and the Late Trading Session pursuant to subparagraph (c), above, the Specialist assigned that option class pursuant to Rule 927NY will automatically receive an assignment in such option class during Early Trading Hours and Late Trading Hours.

(2) Notwithstanding subparagraph (1), above, a Specialist may decline to act as a Specialist in any eligible option class assigned to it during either the Early Trading Session or Late Trading Session by not quoting during that session. In

such an instance, the Exchange may designate a separate Specialist for the affected session.

(3) Nothing contained in this subparagraph (h) will relieve the Specialist of its obligations during the Core Trading Session.

(i) Expiration Day Trading. Equity options eligible for trading during Extended Hours Trading shall continue to trade through the Late Trading Session on their expiration date.

(j) Letters of Guarantee and Authorization. In order to participate in the Early Trading Session, a Trading Permit Holder must have a letter of guarantee from a Clearing Trading Permit Holder that is authorized by the Options Clearing Corporation (“OCC”) to operate during Extended Hours Trading.

Rule 925NY. Obligations of Market Makers

(a) No Change

(b) *Obligations in Appointed Classes.* With respect to each class of options in his appointment, a Market Maker is expected to engage, to a reasonable degree under the existing circumstances, in dealings for his own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class. Without limiting the foregoing, a Market Maker is expected to perform the following activities in the course of maintaining a fair and orderly market.

(1) To compete with other Market Makers to improve the market in all series of options classes to which the Market Maker is appointed.

(2) To make markets that will be honored for the number of contracts entered into the System in all series of options classes within the Market Maker's appointment.

(3) To update market quotations in response to changed market conditions in all series of options classes within the Market Maker's appointment.

(4) In open outcry, bidding and/or offering so as to create differences of:

(A) no more than .25 between the bid and the offer for each option contract for which the bid is less than \$2,

- (B) no more than .40 where the bid is \$2 or more but does not exceed \$5,
 - (C) no more than .50 where the bid is more than \$5 but does not exceed \$10,
 - (D) no more than .80 where the bid is more than \$10 but does not exceed \$20, and
 - (E) no more than \$1 when the last bid is \$20.01 or more, provided that a Trading Official may establish differences other than the above for one or more series or classes of options.
- (5) Electronically submit quotes to the System during the Core Trading Session[Hours] and any Extended Hours Trading session (i.e., the Early Trading Session and the Late Trading Session) in which the Market Maker quotes with difference not to exceed \$5 between the bid and offer regardless of the price of the bid.

Two Trading Officials may establish quote width differences other than as provided in this subparagraph (5) for one or more option series.

- (6) In response to a call for a market from a Floor Broker, bidding no more than \$1 lower and/or offering no more than \$1 higher than the last preceding transaction price for the particular option contract. However, this standard shall not ordinarily apply if the price per share (or other unit of trading) of the underlying security has changed since the last preceding transaction for the particular option contract, in which event a Market Maker may then bid no lower than or offer no more than \$1 plus the aggregate change in the price per share (or other unit of trading) of the underlying security since the time of the last preceding transaction for the particular option contract. This provision applies from one day's close to the next day's opening and from one transaction to the next in intra-day transactions. With respect to inter-day transactions, this provision applies if the closing transaction occurred within one hour of the close and the opening transaction occurred within one hour after the opening. With respect to intra-day transactions, this provision applies to transactions occurring within one hour of one another. A Trading Official may waive the provisions of this paragraph in an index option when the primary underlying securities market for that index is not trading. Nothing in this subparagraph (b)(6) shall alter the maximum bid/ask differentials established by subparagraph (b)(4)-(5) of Rule 925NY.

(c)-(f) No Change

Rule 925.1NYP. Market Maker Quotations

(a) No Change

(b) *Specialists*. A Specialist must provide continuous two-sided quotations [throughout the trading day] in its appointed issues for 90% of the time during the Core Trading Session and any Extended Hours Trading session (i.e., the Early Trading Session and the Late Trading Session) in which it quotes[Exchange is open for trading] in each issue. Such quotations must meet the legal quote width requirements of Rule 925NY. These obligations will apply to all of the Specialist's appointed issues collectively, rather than on an issue-by-issue basis. Compliance with this obligation will be determined on a monthly basis.

(1) No Change.

(c) *Market Makers*. A Market Maker must provide continuous two-sided quotations [throughout the trading day]in its appointed issues for 60% of the time during the Core Trading Session and any Extended Hours Trading session (i.e., the Early Trading Session and the Late Trading Session) in which it quotes[the Exchange is open for trading] in each issue. Such quotations must meet the legal quote width requirements of Rule 925NY. These obligations will apply to all of the Market Maker's appointed issues collectively, rather than on an issue-by-issue basis. Compliance with this obligation will be determined on a monthly basis.

(1) No Change.

(d)-(e) No Change

Rule 928.1NYP. Price Reasonability Checks - Orders and Quotes

(a) No Change

(b) Arbitrage Checks for buy orders or quotes.

(1) Puts. Order or quote messages to buy for put options will be rejected if the price of the order or quote is equal to or greater than the strike price of the option.

(2) Calls. Order or quote messages to buy for call options will be rejected or canceled (if resting) if the price of the order or quote is equal to or greater than the price of the last trade (of any size) of the underlying security on the Primary Market during the Core Trading Session or a trade of any size in the security underlying the equity option during the Early Trading Session, plus a specified threshold to be determined by the Exchange and announced by Trader Update.

(c) Intrinsic Value Checks for sell orders or quotes.

(1) The Intrinsic Value for a put option is equal to the strike price minus the price of the last trade (of any size) of the underlying security on the Primary Market during the Core

Trading Session or a trade of any size in the security underlying the equity option during the Early Trading Session.

(2) The Intrinsic Value for a call option is equal to the price of the last trade (of any size) of the underlying security on the Primary Market minus the strike price during the Core Trading Session or a trade of any size in the security underlying the equity option minus the strike price during the Early Trading Session.

(3) ISOs to sell are not subject to the Intrinsic Value Check described in this paragraph (c).

(4) Puts and calls.

(A) Orders or quotes to sell for both puts and calls will be rejected or canceled (if resting) if the price of the order or quote is equal to or lower than its Intrinsic Value, minus a specified threshold to be determined by the Exchange and announced by Trader Update.

(B) The threshold percentage is based on the NBB, provided that, immediately following an Auction, it is based on the Auction Price or, if none, the lower Auction Collar price, or, if none, the NBB. For purposes of determining the Intrinsic Value, the Exchange will not use an adjusted NBBO. The Intrinsic Value Check for sell orders and quotes will not be applied if the Intrinsic Value cannot be calculated.

(d) No Change

Rule 952NYP. Auction Process

(a) This Rule is applicable to all series that trade on the Exchange other than Flex Options. The following are definitions for purposes of this Chapter (Trading of Option Contracts) that are applicable to trading on Pillar:

(1) “Auction” means the opening or reopening of a series for trading either with or without a trade.

(A) “Core Open Auction” means the Auction that opens trading after the beginning of the Core Trading [Hours] Session.

(B) “Trading Halt Auction” means the Auction that reopens trading following a trading halt.

(C) “Early Open Auction” means the Auction that opens trading after the beginning of the Early Trading Session.

(2) - (6) No Change

(7) “Auction Trigger” means the information disseminated about [by the Primary Market in]the underlying security that triggers the Auction Process for a series to begin.

(A) For a Core Open Auction, the Auction Trigger is when the Primary Market first disseminates at or after 9:30 a.m. Eastern Time both a two-sided quote and a trade of any size that is at or within the quote.

(B) For a Trading Halt Auction, the Auction Trigger is when the Primary Market disseminates at the end of a trading halt or pause a resume message, a two-sided quote, and a trade of any size that is at or within the quote.

(C) For an Early Open Auction, the Auction Trigger is when any national securities exchange disseminates, at or after 7:30 a.m. Eastern Time, either a two-sided quote or a trade of any size in the security underlying the equity option.

(8) - (11) No Change

(12) “Pre-open state” means the period before a series is opened or reopened for trading. During the pre-open state, the Exchange will accept Auction-Only Orders, quotes, and orders designated Day or GTC, including orders ranked Priority 3 - Non-Display Orders that are not eligible to participate in an Auction.

(A) The pre-open state for the Core Open Auction begins at 6:00 a.m. Eastern Time and ends when the Auction Processing Period begins. At the beginning of the pre-open state before the Core Open Auction, orders designated GTC that remain from the prior trading day will be included in the Consolidated Book.

(B) The pre-open state for a Trading Halt Auction begins at the beginning of the trading halt and ends when the Auction Processing Period begins.

(C) The pre-open state for the Early Open Auction begins at 6:00 a.m. Eastern Time and ends when the Early Open Auction Processing Period begins.

(b) *Auction Ranking and Allocation.* Orders and quotes on the side of the Imbalance are not guaranteed to participate in an Auction and will be ranked in price-time priority under

Rule 964NYP(c)-(g) consistent with the priority ranking associated with each order or quote, provided that:

- (1) Limit Orders, quotes, and LOO Orders, for the Core Open Auction and a Trading Halt Auction (LOO Orders are not permitted during Extended Hours Trading), will be ranked based on their limit price and not the price at which they would participate in the Auction.
 - (2) MOO Orders will be ranked Priority 1 - Market Orders, for the Core Open Auction and a Trading Halt Auction (Market Orders are not permitted during Extended Hours Trading).
 - (3) LOO Orders will be ranked Priority 2 - Display Orders, for the Core Open Auction and a Trading Halt Auction (LOO Orders are not permitted during Extended Hours Trading).
 - (4) IO Orders, for the Core Open Auction and a Trading Halt Auction (LOO Orders are not permitted during Extended Hours Trading), will be ranked based on time among IO Orders, subject to eligibility to participate at the Indicative Match Price based on their limit price.
 - (5) Orders and quotes will trade in the Auction as follows:
 - (A) Orders and quotes priced better than the Auction Price will trade based on ranking; and
 - (B) Orders and quotes priced at the Auction Price will trade per Rule 964NYP(j), provided that the participation entitlement to a DOMM or Specialist per Rule 964NYP(j)(4) is not available during the Auction.
- (c) *Auction Imbalance Information.* Unless otherwise specified by Trader Update, Auction Imbalance Information is updated at least every second until the Auction is conducted, unless there is no change to the information. The Exchange will begin disseminating Auction Imbalance Information at the following times:
- (1) Core Open Auction Imbalance Information will begin at 8:00 a.m. Eastern Time.
 - (2) Trading Halt Auction Imbalance Information will begin at the beginning of the trading halt.
