

EXHIBIT 5A

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

(currently effective)

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[Rule 6.25. Nullification and Adjustment of Options Transactions including Obvious Errors

The Exchange may nullify a transaction or adjust the execution price of a transaction in accordance with this Rule. Unless otherwise stated, the provisions contained within this Rule are applicable to electronic transactions only. However, the determination as to whether a trade was executed at an erroneous price may be made by mutual agreement of the affected parties to a particular transaction. An electronic or open outcry trade may be nullified or adjusted on the terms that all parties to a particular transaction agree, provided, however, that such agreement to nullify or adjust must be conveyed to the Exchange in a manner prescribed by the Exchange prior to 7:30 a.m. Central Time on the first trading day following the execution. It is considered conduct inconsistent with just and equitable principles of trade for any TPH to use the mutual adjustment process to circumvent any applicable Exchange rule, the Act or any of the rules and regulations thereunder.

(a) Definitions.

(1) Customer. For purposes of this Rule, a Customer shall not include any broker-dealer, Professional Customer, or Voluntary Professional Customer.

(2) Erroneous Sell/Buy Transaction. For purposes of this Rule, an “erroneous sell transaction” is one in which the price received by the person selling the option is erroneously low, and an “erroneous buy transaction” is one in which the price paid by the person purchasing the option is erroneously high.

(3) Official. For purposes of this Rule, an Official is an Officer of the Exchange or such other employee designee of the Exchange that is trained in the application of this Rule.

(4) Size Adjustment Modifier. For purposes of this Rule, the Size Adjustment Modifier will be applied to individual transactions as follows:

Number of Contracts per Execution	Adjustment – TP Plus/Minus
1-50	N/A

51-250	2 times adjustment amount
251-1000	2.5 times adjustment amount
1001 or more	3 times adjustment amount

(b) **Theoretical Price.** Upon receipt of a request for review and prior to any review of a transaction execution price, the “Theoretical Price” for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last NBO just prior to the trade in question would be the last NBB and last NBO just prior to the Exchange’s receipt of the order. The Exchange will rely on this paragraph (b) and Interpretation and Policy .08 of this Rule when determining Theoretical Price.

(1) **Transactions at the Open.** Except as provided in subparagraph (A) below, for a transaction occurring as part of the Opening Process (as defined in Rule 6.2) the Exchange will determine the Theoretical Price if there is no NBB or NBO for the affected series just prior to the erroneous transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in subparagraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.

(A) For transactions occurring as part of HOSS in any index options series being used to calculate the final settlement price of a volatility index on the final settlement day, the Theoretical Price is the first quote after the transaction(s) in question that does not reflect the erroneous transaction(s), provided that the quote size is for at least the overall size of the HOSS opening trade; if the quote size is for less than the overall size of the HOSS opening trade, then paragraph (c) and (d) shall not apply.

(2) **No Valid Quotes.** The Exchange will determine the Theoretical Price if there are no quotes or no valid quotes for comparison purposes. Quotes that are not valid are:

(A) all quotes in the applicable option series published at a time where the last NBB is higher than the last NBO in such series (a “crossed market”);

(B) quotes published by the Exchange that were submitted by either party to the transaction in question;

(C) quotes published by another options exchange if either party to the transaction in question submitted the quotes in the series representing such options exchange's best bid or offer, provided that the Exchange will only consider quotes invalid on other options exchanges in up to twenty-five (25) total options series that the party identifies to the Exchange the quotes which were submitted by such party and published by other options exchanges; and

(D) quotes published by another options exchange against which the Exchange has declared self-help.

(3) Wide Quotes. The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the erroneous transaction was equal to or greater than the Minimum Amount set forth below and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction. If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction then the Theoretical Price of an option series is the last NBB or NBO just prior to the transaction in question, as set forth in paragraph (b) above.

Bid Price at Time of Trade	Minimum Amount
Below \$2.00	\$0.75
\$2.00 to \$5.00	\$1.25
Above \$5.00 to \$10.00	\$1.50
Above \$10.00 to \$20.00	\$2.50
Above \$20.00 to \$50.00	\$3.00
Above \$50.00 to \$100.00	\$4.50
Above \$100.00	\$6.00

(c) Obvious Errors.

(1) Definition. For purposes of this Rule, an Obvious Error will be deemed to have occurred when the Exchange receives a properly submitted filing where the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below \$2.00	\$0.25

\$2.00 to \$5.00	\$0.40
Above \$5.00 to \$10.00	\$0.50
Above \$10.00 to \$20.00	\$0.80
Above \$20.00 to \$50.00	\$1.00
Above \$50.00 to \$100.00	\$1.50
Above \$100.00	\$2.00

(2) Time Deadline. A party that believes that it participated in a transaction that was the result of an Obvious Error must notify the Exchange's Help Desk in the manner specified from time to time by the Exchange in a circular distributed to TPHs. Such notification must be received by the Exchange's Help Desk within the timeframes specified below:

(A) Customer Orders. For an execution of a Customer order, a filing must be received by the Exchange within thirty (30) minutes of the execution, subject to sub-paragraph (C) below; and

(B) "Non-Customer" Orders. For an execution of any order other than a Customer order, a filing must be received by the Exchange within fifteen (15) minutes of the execution, subject to sub-paragraph (C) below.

(C) Linkage Trades. Any other options exchange will have a total of forty-five (45) minutes for Customer orders and thirty (30) minutes for non-Customer orders, measured from the time of execution on the Exchange, to file with the Exchange for review of transactions routed to the Exchange from that options exchange and executed on the Exchange ("linkage trades"). This includes filings on behalf of another options exchange filed by a third-party routing broker if such third-party broker identifies the affected transactions as linkage trades. In order to facilitate timely reviews of linkage trades the Exchange will accept filings from either the other options exchange or, if applicable, the third-party routing broker that routed the applicable order(s). The additional fifteen (15) minutes provided with respect to linkage trades shall only apply to the extent the options exchange that originally received and routed the order to the Exchange itself received a timely filing from the entering participant (i.e., within 30 minutes if a Customer order or 15 minutes if a non-Customer order).

(3) Official Acting on Own Motion. An Official may review a transaction believed to be erroneous on his/her own motion in the interest of maintaining a fair and orderly market and for the protection of investors. A transaction reviewed pursuant to this paragraph may be nullified or adjusted only

if it is determined by the Official that the transaction is erroneous in accordance with the provisions of this Rule, provided that the time deadlines of sub-paragraph (c)(2) above shall not apply. The Official shall act as soon as possible after becoming aware of the transaction, and ordinarily would be expected to act on the same day that the transaction occurred. In no event shall the Official act later than 7:30 a.m. Central Time on the next trading day following the date of the transaction in question. Transactions adjusted or nullified under this provision cannot be reviewed by an Obvious Error Panel under paragraph (k) but can be appealed in accordance with paragraph (m) below; however, a determination by an Official not to review a transaction or determination not to nullify or adjust a transaction for which a review was conducted on an Official's own motion is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of this Rule, no additional relief may be granted under this provision.

(4) Adjust or Bust. If it is determined that an Obvious Error has occurred, the Exchange shall take one of the actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) Non-Customer Transactions. Where neither party to the transaction is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any non-Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment - TP Plus	Sell Transaction Adjustment - TP Minus
Below \$3.00	\$0.15	\$0.15
At or above \$3.00	\$0.30	\$0.30

(B) Customer Transactions. Where at least one party to the Obvious Error is a Customer, the trade will be nullified, subject to sub-paragraph (C) below.

(C) If any TPH submits requests to the Exchange for review of transactions pursuant to this rule, and in aggregate that TPH has 200 or more Customer transactions under review concurrently and the orders resulting in such transactions were submitted during the course of 2 minutes or less, where at least one party to the Obvious Error is a non-Customer, the Exchange will apply the non-Customer adjustment criteria set forth in sub-paragraph (A) above to such transactions.

(d) Catastrophic Errors.

(1) Definition. For purposes of this Rule, a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price (TP)	Minimum Amount
Below \$2.00	\$0.50
\$2.00 to \$5.00	\$1.00
Above \$5.00 to \$10.00	\$1.50
Above \$10.00 to \$20.00	\$2.00
Above \$20.00 to \$50.00	\$2.50
Above \$50.00 to \$100.00	\$3.00
Above \$100.00	\$4.00

(2) Time Deadline. A party that believes that it participated in a transaction that was the result of a Catastrophic Error must notify the Exchange's Help Desk in the manner specified from time to time by the Exchange in a circular distributed to TPHs. For transactions occurring during regular trading hours, such notification must be received by the Exchange's Help Desk by 7:30 a.m. Central Time on the first trading day following the execution. For transactions occurring during Global Trading Hours, such notification must be received within 2 hours of the close of the Global Trading Hours session. For transactions in an expiring options series that take place on an expiration day, a party must notify the Exchange's Help Desk within 45 minutes after the close of trading that same day. Relief will not be granted under paragraph (d) if an Obvious Error Panel has previously rendered a decision with respect to the transaction(s) in question.

(3) Adjust or Bust. If an Official determines that a Catastrophic Error has not occurred, the Trading Permit Holder will be subject to a charge of \$5,000.

If it is determined that a Catastrophic Error has occurred, the Exchange shall take action as set forth below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone. In the event of a Catastrophic Error, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any Customer order subject to this subparagraph will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

Theoretical Price (TP)	Buy Transaction Adjustment - TP Plus	Sell Transaction Adjustment - TP Minus
Below \$2.00	\$0.50	\$0.50
\$2.00 to \$5.00	\$1.00	\$1.00
Above \$5.00 to \$10.00	\$1.50	\$1.50
Above \$10.00 to \$20.00	\$2.00	\$2.00
Above \$20.00 to \$50.00	\$2.50	\$2.50
Above \$50.00 to \$100.00	\$3.00	\$3.00
Above \$100.00	\$4.00	\$4.00

(e) Significant Market Events.

(1) Definition. For purposes of this Rule, a Significant Market Event will be deemed to have occurred when: criterion (A) below is met or exceeded or the sum of all applicable event statistics, where each is expressed as a percentage of the relevant threshold in criteria (A) through (D) below, is greater than or equal to 150% and 75% or more of at least one category is reached, provided that no single category can contribute more than 100% to the sum and any category contributing more than 100% will be rounded down to 100%. All criteria set forth below will be measured in aggregate across all exchanges.

(A) Transactions that are potentially erroneous would result in a total Worst-Case Adjustment Penalty of \$30,000,000, where the Worst-Case Adjustment Penalty is computed as the sum, across all potentially erroneous trades, of:

- (i) \$0.30 (i.e., the largest Transaction Adjustment value listed in sub-paragraph (e)(3)(A) below); times
- (ii) the contract multiplier for each traded contract; times

(iii) the number of contracts for each trade; times

(iv) the appropriate Size Adjustment Modifier for each trade, if any, as defined in sub-paragraph (e)(3)(A) below.

(B) Transactions involving 500,000 options contracts are potentially erroneous;

(C) Transactions with a notional value (i.e., number of contracts traded multiplied by the option premium multiplied by the contract multiplier) of \$100,000,000 are potentially erroneous;

(D) 10,000 transactions are potentially erroneous.

(2) **Coordination with Other Options Exchanges.** To ensure consistent application across options exchanges, in the event of a suspected Significant Market Event, the Exchange shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event. When this paragraph is invoked, the Exchange will promptly coordinate with the other options exchanges to determine the appropriate review period as well as select one or more specific points in time prior to the transactions in question and use one or more specific points in time to determine Theoretical Price. Other than the selected points in time, if applicable, the Exchange will determine Theoretical Price in accordance with paragraph (b) above.

(3) **Adjust or Bust.** If it is determined that a Significant Market Event has occurred then, using the parameters agreed as set forth in sub-paragraph (e)(2) above, if applicable, an Official will determine whether any or all transactions under review qualify as Obvious Errors. The Exchange shall take one of the actions listed below with respect to all transactions that qualify as Obvious Errors pursuant to sub-paragraph (c)(1) above. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) The execution price of each affected transaction will be adjusted by an Official to the price provided below unless both parties agree to adjust the transaction to a different price or agree to bust the trade. In the context of a Significant Market Event, any error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment - TP Plus	Sell Transaction Adjustment - TP Minus
Below \$3.00	\$0.15	\$0.15
At or above \$3.00	\$0.30	\$0.30

(B) Where at least one party to the transaction is a Customer, the trade will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

(4) Nullification of Transactions. If the Exchange, in consultation with other options exchanges, determines that timely adjustment is not feasible due to the extraordinary nature of the situation, then the Exchange will nullify some or all transactions arising out of the Significant Market Event during the review period selected by the Exchange and other options exchanges consistent with this paragraph. To the extent the Exchange, in consultation with other options exchanges, determines to nullify less than all transactions arising out of the Significant Market Event, those transactions subject to nullification will be selected based upon objective criteria with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(5) Final Rulings. With respect to rulings made pursuant to this paragraph, the number of affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Accordingly, rulings by the Exchange pursuant to this paragraph are non-appealable.

(f) Trading Halts. The Exchange shall nullify any transaction that occurs during a trading halt in the affected option on the Exchange pursuant to Rule 6.3.

(g) Erroneous Print in Underlying. An electronic or open outcry trade resulting from an erroneous print(s) disseminated by the underlying market that is later nullified by that underlying market shall be adjusted or busted as set forth in sub-paragraph (c)(4) of this Rule, provided a party notifies the Exchange's Help Desk in a timely manner as set forth below. For purposes of this paragraph, a trade resulting from an erroneous print(s) shall mean any options trade executed during a period of time for which one or more executions in the underlying security are nullified and for one second thereafter. If a party believes that it participated in an erroneous transaction resulting from an erroneous print(s) pursuant to this paragraph it must notify the Exchange's Help Desk within the timeframes set forth in sub-paragraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification by the underlying market(s) of nullification of transactions in the underlying security. If multiple underlying markets nullify trades in the underlying security, the allowed notification timeframe will commence at the time of the first market's notification. For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related ETF(s), HOLDRS(s) and/or index value(s), and/or related futures product(s)) and the relevant underlying market(s) will be designated by the Exchange and announced to the Trading Permit Holders via Regulatory Circular. To qualify for consideration as an "underlying:" (A) the ETF, HOLDRS or index option class and related instrument must be derived from or designed to track the same underlying index; or (B) in the case of S&P 100-related options, the options class and related instrument must be derived from or designed to track the S&P 100 Index or the S&P 500 Index.

(h) **Erroneous Quote in Underlying.** A trade resulting from an erroneous quote(s) in the underlying security shall be adjusted or busted as set forth in sub-paragraph (c)(4) of this Rule, provided a party notifies the Exchange's Help Desk in a timely manner as set forth below. An erroneous quote occurs when the underlying security has a width of at least \$1.00 and has a width at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For purposes of this paragraph, the average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four-minute time period referenced above (excluding the quote(s) in question) and dividing by the number of quotes during such time period (excluding the quote(s) in question). If a party believes that it participated in an erroneous transaction resulting from an erroneous quote(s) pursuant to this paragraph it must notify the Exchange's Help Desk in accordance with sub-paragraph (c)(2) above. For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related ETF(s), HOLDRS(s) and/or index value(s), and/or related futures product(s)) and the relevant underlying market(s) will be designated by the Exchange and announced to the Trading Permit Holders via Regulatory Circular. To qualify for consideration as an "underlying:" (A) the ETF, HOLDRS or index option class and related instrument must be derived from or designed to track the same underlying index; or (B) in the case of S&P 100-related options, the options class and related instrument must be derived from or designed to track the S&P 100 Index or the S&P 500 Index.

(i) **Stop (and Stop-Limit) Order Trades Triggered by Erroneous Trades.** Transactions resulting from the triggering of a stop or stop-limit order by an erroneous trade in an option contract shall be nullified by the Exchange, provided a party notifies the Exchange's Help Desk in a timely manner as set forth below. If a party believes that it participated in an erroneous transaction pursuant to this paragraph it must notify the Exchange's Help Desk within the timeframes set forth in sub-paragraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification of the nullification of transaction(s) that triggered the stop or stop-limit order.

(j) **Linkage Trades.** If the Exchange routes an order pursuant to the Intermarket Options Linkage Plan that results in a transaction on another options exchange (a "Linkage Trade") and such options exchange subsequently nullifies or adjusts the Linkage Trade pursuant to its rules, the Exchange will perform all actions necessary to complete the nullification or adjustment of the Linkage Trade.

(k) **Obvious Error Panel.**

(1) **Composition.** An Obvious Error Panel will be comprised of at least one (1) member of the Exchange's staff designated to perform Obvious Error Panel functions and four (4) Trading Permit Holders. Fifty percent of the number of Trading Permit Holders on the Obvious Error Panel must be directly engaged in market making activity and fifty percent of the number of Trading Permit Holders on the Obvious Error Panel must act in the capacity of a non-DPM floor broker.

(2) Scope of Review. If a party affected by a determination made under paragraph (c) so requests within the time permitted in paragraph (k)(3) below, an Obvious Error Panel will review decisions made under this Rule, including whether an obvious error occurred, whether the correct Theoretical Price was used, and whether the correct adjustment was made at the correct price. A party may also request that the Obvious Error Panel provide relief as required in this Rule in cases where the party failed to provide the notification required in paragraph (c)(2) and an extension was not granted, but unusual circumstances must merit special consideration. A party cannot request review by an Obvious Error Panel of determinations by a Cboe Options Official made pursuant to paragraph (c)(3) of this Rule.

(3) Procedure for Requesting Review. A request for review must be made in writing within thirty (30) minutes after a party receives notification of a determination under paragraph (c), except that if notification is made after 2:30 p.m. Central Time (“CT”), either party has until 8:30 a.m. CT the next trading day to request review. The Obvious Error Panel shall review the facts and render a decision on the day of the transaction, or the next trade day in the case where a request is properly made the next trade day.

(4) Panel Decision. The Obvious Error Panel may overturn or modify an action taken under this Rule upon agreement by a majority of the Panel representatives. All determinations by the Obvious Error Panel may be appealed in accordance with paragraph (m) of this Rule.

(l) Catastrophic Error Panel

(1) Composition. A Catastrophic Error Panel will be comprised of at least one (1) member of the Exchange’s staff designated to perform Catastrophic Error Panel functions and four (4) Trading Permit Holders. Fifty percent of the number of Trading Permit Holders on the Catastrophic Error Panel must be directly engaged in market making activity and fifty percent of the number of Trading Permit Holders on the Catastrophic Error Panel must act in the capacity of a non-DPM floor broker.

(2) Scope of Review. If a party affected by a determination made under paragraph (d) so requests within the time permitted in paragraph (l)(3) below, a Catastrophic Error Panel will review decisions made under this Rule, including whether a catastrophic error occurred, whether the correct Theoretical Price was used, and whether the correct adjustment was made at the correct price.

(3) Procedure for Requesting Review. A request for review must be made in writing within thirty (30) minutes after a party receives notification of a determination under paragraph (d), except that if notification is made after 2:30 p.m. Central Time (“CT”), either party has until 8:30 a.m. CT the next trading day to request review. The Catastrophic Error Panel shall review the facts and render a

decision on the day of the transaction, or the next trade day in the case where a request is properly made the next trade day.

(4) Panel Decision. The Catastrophic Error Panel may overturn or modify an action taken under this Rule upon agreement by a majority of the Panel representatives. All determinations by the Catastrophic Error Panel may be appealed in accordance with paragraph (m) of this Rule.

(m) Review. Subject to the limitations contained in (c)(3) above, a Trading Permit Holder affected by a determination made under this Rule may appeal such determination, in accordance with Chapter XIX of the Exchange's rules. For purposes of this Rule, a Trading Permit Holder must be aggrieved as described in Rule 19.1. Notwithstanding any provision in Rule 19.2 to the contrary, a request for review must be made in writing (in a form and manner prescribed by the Exchange) no later than the close of trading on the next trade date after the Trading Permit Holder receives notification of such determination from the Exchange.

. . . Interpretations and Policies:

.01 Limit Up-Limit Down State.

The following policy (Rule 6.25.01) shall be in effect during a pilot period that expires at the close of business on October 18, 2019.

An execution will not be subject to review as an Obvious Error or Catastrophic Error pursuant to paragraph (c) or (d) of this Rule if it occurred while the underlying security was in a "Limit State" or "Straddle State," as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. Nothing in this provision shall prevent such execution from being reviewed on an Official's own motion pursuant to sub-paragraph (c)(3) of this Rule, or a bust or adjust pursuant to paragraphs (e) through (j) and Interpretation .05 of this Rule.

.02 For the purposes of this Rule, to the extent the provisions of this Rule would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

.03 Notwithstanding the provisions of Rule 6.25, opening transactions that do not satisfy the requirements of Rule 5.4 will be nullified.

.04 Binary Options: For purposes of the obvious error provisions in paragraph (c) of this Rule, the adjusted price (including any applicable adjustment under (c)(4)(A) for non-customer transactions) shall not exceed the applicable exercise settlement amount for the binary option.

.05 Verifiable Disruptions or Malfunctions of Exchange Systems: Electronic or open outcry transactions arising out of a "verifiable disruption or malfunction" in the use or operation of any Exchange automated quotation, dissemination, execution, or communication system will either

be nullified or adjusted by an Official. Transactions that qualify for price adjustment will be adjusted to Theoretical Price, as defined in paragraph (b) above.

.06 Any determination made by an Official, an Obvious Error Panel, or a Catastrophic Error Panel under this Rule shall be rendered without prejudice as to the rights of the parties to the transaction to submit a dispute to arbitration.

.07 Complex Orders and Stock-Option Orders:

(a) If a complex order executes against individual legs and at least one of the legs qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the leg(s) that is an Obvious or Catastrophic error will be adjusted in accordance with paragraphs (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, any Customer order subject to this paragraph .07(a) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price on the complex order or individual leg(s). If any leg of a complex order is nullified, the entire transaction is nullified.

(b) If a complex order executes against another complex order and at least one of the legs qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the leg(s) that is an Obvious or Catastrophic Error will be adjusted or busted in accordance with paragraph (c)(4) or (d)(3), respectively, so long as either: (i) the width of the National Spread Market for the complex order strategy just prior to the erroneous transaction was equal to or greater than the amount set forth in the wide quote table of paragraph (b)(3) or (ii) the net execution price of the complex order is higher (lower) than the offer (bid) of the National Spread Market for the complex order strategy just prior to the erroneous transaction by an amount equal to at least the amount shown in the table in paragraph (c)(1). If any leg of a complex order is nullified, the entire transaction is nullified.

(c) If the option leg of a stock-option order qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the option leg that is an Obvious or Catastrophic Error will be adjusted in accordance with paragraph (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, the option leg of any Customer order subject to this paragraph (c) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the

Customer's limit price on the stock-option order, and the Exchange will attempt to nullify the stock leg. Whenever a stock trading venue nullifies the stock leg of a stock-option order or whenever the stock leg cannot be executed, the Exchange will nullify the option leg upon request of one of the parties to the transaction or in accordance with paragraph (c)(3).

.08 Exchange Determining Theoretical Price. For purposes of this Rule, when the Exchange must determine Theoretical Price pursuant to sub-paragraphs (b)(1)-(3) of this Rule (i.e., at the open, when there are no valid quotes or when there is a wide quote), then the Exchange will determine Theoretical Price as follows.

(a) The Exchange will request Theoretical Price from the third party vendor defined in paragraph (d) below ("TP Provider") to which the Exchange and all other options exchanges have subscribed. The Exchange will apply the Theoretical Price provided by the TP Provider, except as otherwise described below.

(b) To the extent an Official of the Exchange believes that the Theoretical Price provided by the TP Provider is fundamentally incorrect and cannot be used consistent with the maintenance of a fair and orderly market, the Official shall contact the TP Provider to notify the TP Provider of the reason the Official believes such Theoretical Price is inaccurate and to request a review and correction of the calculated Theoretical Price. The Exchange shall also promptly provide electronic notice to other options exchanges that the TP Provider has been contacted consistent with this paragraph and include a brief explanation of the reason for the request.

(c) An Official of the Exchange may determine the Theoretical Price if the TP Provider has experienced a systems issue that has rendered its services unavailable to accurately calculate Theoretical Price and such issue cannot be corrected in a timely manner.

(d) The current TP Provider to which the Exchange and all other options exchanges have subscribed is: Cboe Livevol, LLC. Neither the Exchange, the TP Provider, nor any affiliate of the TP Provider (the TP Provider and its affiliates are referred to collectively as the "TP Provider"), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of the TP Provider pursuant to this Interpretation .08. The TP Provider does not guarantee the accuracy or completeness of the calculated Theoretical Price. The TP Provider disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such Theoretical Price. Neither the Exchange nor the TP Provider shall have any liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the use of such Theoretical Price or arising out of any errors or delays in calculating such Theoretical Price.]

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[Rule 6.50. Submission for Clearance

All transactions made on the Exchange shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the Rules of the Clearing Corporation. Each Trading Permit Holder shall file with, or at the direction of, the Exchange trade information in accordance with Rule 6.51(d) for each Exchange transaction for which such Trading Permit Holder is responsible.]

[Rule 6.51. Reporting Duties

(a) Designated Trading Permit Holder must report transaction. (i) A participant in each transaction to be designated by the Exchange must report or ensure the transaction is reported to the Exchange within 90 seconds of the execution in a form and manner prescribed by the Exchange so that the trade information may be reported to time and sales reports. (ii) Transactions not reported within 90 seconds after execution in accordance with Rule 6.51(a)(i)

shall be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade and subject to summary fine under Rule 17.50 or to discipline under Chapter XVII of the Rules.

(b) Reporting to Trading Permit Holder. For each transaction on the Exchange in which he participates, a Trading Permit Holder shall report the transaction as promptly as possible to the Trading Permit Holder for whom such transaction was made and/or to the Trading Permit Holder that will clear such transaction in a form and manner prescribed by the Exchange.

(c) Reporting transactions made off the Exchange. For each transaction in which a Trading Permit Holder participates off the Exchange in any option pertaining to an underlying security which is currently approved for Exchange transactions, such Trading Permit Holder shall report the transaction to the Exchange in a form and manner prescribed by the Exchange. (With the identity of participants removed, such transactions shall be made public by the Exchange.)

(d) Trade information. Each Trading Permit Holder shall file with the Exchange trade information in such form as may be prescribed by the Exchange covering each Exchange transaction during each business day in order to allow the Exchange to properly match and clear trades. The trade information shall show for each transaction (a) the identity of the purchasing Clearing Trading Permit Holder and the writing Clearing Trading Permit Holder, (b) the underlying security, (c) the exercise price, (d) the expiration month, (e) the number of option contracts, (f) the premium per unit, (g) the identity of the executing brokers representing both the purchasing and writing Clearing Trading Permit Holders, (h) whether a purchase or a writing transaction, (i) except for a transaction executed by or for a Market-Maker, whether an opening or closing transaction, (j) the identity of the account of the Clearing Trading Permit Holder in which the transaction was effected, (k) the time of purchase or sale, (l) whether a put or call, and (m) such other information as may be required by the Exchange.

. . . Interpretations and Policies:

.01 The Exchange has established the following procedure for reporting transactions pursuant to Rule 6.51(a) and (b).

For each transaction on the Exchange both the buyer and seller shall immediately record on a card or ticket, or enter in an electronic data storage medium acceptable to the Exchange, his assigned broker initial code and his clearing firm (if a Market-Maker), the symbol of the underlying security, the type, expiration month and exercise price of the option contract, the transaction price, the number of contract units comprising the transaction, the time of the transaction obtained from a source designated by the Exchange, the name of the contra Clearing Trading Permit Holder and the assigned broker initial code of the contra Trading Permit Holder. Such a record shall constitute the "transaction record." The transaction record for any agency order shall also include the account origin code, as set forth in Interpretation .02 below. The seller in each transaction, or the buyer if designated by the Exchange, shall also within 90 seconds of the execution place a paper form copy of the transaction record in the price reporting

belt provided at the station or, alternatively, shall provide the information provided for price reporting through an electronic data transmission link approved by the Exchange. Then, the buyer and seller in each transaction will immediately provide the transaction record to the Trading Permit Holder for whom the transaction was executed and/or the Clearing Trading Permit Holder that will clear the transaction. Trading Permit Holders not using electronic medium to report trades are expected to provide the transaction record to the Trading Permit Holder for whom the transaction was executed and/or to the Clearing Trading Permit Holder that will clear the trade as promptly as possible. A Trading Permit Holder receiving a report of execution from another Trading Permit Holder shall immediately forward the report to the Clearing Trading Permit Holder that will clear the transaction.

Before submitting the transaction record information for price reporting purposes in the manner prescribed above, the Trading Permit Holder shall use his best efforts to make sure that DPM acting in option contracts of the class involved, or the DPM's clerk, is aware of the transaction and its price. A Trading Permit Holder shall also submit the transaction record information for price reporting purposes in the manner prescribed above whenever the transaction represents the partial execution of a larger order.

Any floor Trading Permit Holder failing to report a transaction in accordance with Rule 6.51(b) and this interpretation may be subject to discipline under Chapter XVII of the Rules.

.02 When entering orders on the Exchange, each Trading Permit Holder shall submit trade information in such form as may be prescribed by the Exchange in order to allow the Exchange to properly prioritize and route orders pursuant to the rules of the Exchange and report resulting transactions to the Clearing Corporation.

.03 The Exchange has established the following procedures for reporting transactions pursuant to Rule 6.51(d):

For trades executed via an electronic data storage medium, or electronic system, trade information shall be immediately submitted to the Exchange for trade matching and clearance.

For trades not executed on an electronic data storage medium, or electronic system, trade information shall be immediately recorded on a card or ticket and submitted as soon as reasonably possible.

.04 If a Trading Permit Holder has no knowledge of the account origin code, opening or closing status or time-in-force of an order when the Trading Permit Holder systematizes the order pursuant to Rule 6.24 or reports a trade pursuant to Rule 6.51, as applicable, the Trading Permit Holder may use the following values when systematizing the order through an Exchange-approved device or reporting a transaction, respectively: (a) either open or close, in the Trading Permit Holder's discretion (for opening or closing status); (b) broker-dealer (for account origin code); and (c) day (for time-in-force). The Trading Permit Holder may change any of these initial values via CTM, and must maintain records of any changes, pursuant to Rule 6.67.

Pursuant to Rule 4.22, it remains the responsibility of the Trading Permit Holder to provide accurate trade information necessary for the reporting of a trade to time and sales reports or to

allow the Exchange to properly match and clear trades. Any actions taken by the Exchange pursuant to this Interpretation and Policy .04 do not constitute a determination by the Exchange that an order was systematized or a trade was effected in conformity with the requirements of the Rules. Nothing in this Rule is intended to define or limit the ability of the Exchange to sanction or take other remedial action pursuant to other Rules for rule violations or other activity for which remedial measures may be imposed.]

* * * * *

[Rule 6.58. Submission of Trade Information to the Exchange

(a) Time of submission.

(1) General rule.

Trade information shall be considered to have been received by the Exchange as of the time electronically recorded by the Exchange computer system when such trade information has been entered into an electronic file for processing by the appropriate Exchange computer system. The point in the system at which the time is electronically recorded shall be determined by the Exchange and uniformly applied to all submissions on any given day. The system may treat trade information contained in a batch transmission as not received until the last record in the batch has been entered into an electronic file. In the event Subparagraph (b)(2) or (b)(3) of this Rule is applicable and the time of receipt by the Exchange as determined by such subparagraph is earlier than the time determined by this Subparagraph (b)(1), then the earlier time under Subparagraph (b)(2) or (b)(3) shall be controlling; otherwise, the time determined by this Subparagraph (b)(1) shall apply.

(2) Submission by electronic transmission.

(A) Except as provided in Subparagraph (b)(2)(B) of this Rule, trade information submitted by electronic transmission to the Exchange computer system shall be considered received by the Exchange as of the time electronically recorded by the Exchange computer as specified in Subparagraph (b)(1).

(B) In the event a Clearing Trading Permit Holder attempts to send trade information by electronic transmission but is unable to get through to the Exchange computer system, the Clearing Trading Permit Holder may contact the Exchange's Trade Processing Window Department to inquire if the Exchange's system is ready to receive such Clearing Trading Permit Holder's transmission.

(i) If the Exchange determines that its system was not so ready, any trade information submitted by such Clearing Trading Permit Holder within ten (10) minutes of being informed by Trade Processing Window personnel that the Exchange's system is so ready will be considered received by the Exchange as of the time the Clearing Trading

Permit Holder contacted the Trade Processing Window, based on the time recorded by the Trade Processing Window personnel handling the inquiry.

(ii) If the Exchange determines that its system was and remains so ready, it will reset the line at the Exchange's end and so inform the Clearing Trading Permit Holder. Any trade information submitted by such Clearing Trading Permit Holder within ten (10) minutes of being informed by Trade Processing Window personnel that the Exchange's system remains ready to accept such data and the line has been reset will be considered received by the Exchange as of the time the Clearing Trading Permit Holder contacted the Trade Processing Window, based on the time recorded by the Trade Processing Window personnel handling the inquiry. Such procedure shall apply only once for any given day, and repetitive use of this subparagraph by any Clearing

Trading Permit Holder shall be investigated. Employing this subparagraph when no actual attempt was made to transmit trade information shall cause this subparagraph to be inapplicable and such action shall be considered conduct inconsistent with just and equitable principles of trade.

(3) Submission on diskette or tape.

Trade information delivered on computer diskette or tape to the Trade Processing Window shall be considered received by the Exchange within fifteen (15) minutes after the time stamped on the paper receipt given by Trade Processing Window personnel to the Clearing Trading Permit Holder's representative who delivered such diskette or tape, provided that all trade data contained on the diskette or tape delivered, or on any backup diskette or tape delivered at the same time, can be successfully loaded into the Exchange computer system without any difficulty.]

[Rule 6.60. Unmatched Trade Reports

On each business day the Exchange shall match the trade information submitted by Trading Permit Holders on that day and shall issue Unmatched Trade Reports to each Clearing Trading Permit Holder, which shall contain a list (a) of such Clearing Trading Permit Holder's trades on such day for which the Exchange did not receive matching trade data from another Clearing Trading Permit Holder (called "unmatched trades") and (b) of all trades reported by other Clearing Trading Permit Holders for which such Clearing Trading Permit Holder submitted no matching trade data (called "advisory trades").]

[Rule 6.61. Reconciliation and Resolution of Unmatched Trades

Promptly upon receipt of an Unmatched Trade Notification or Report, a Trading Permit Holder shall be obligated to reconcile all unmatched trades and advisory trades shown thereon and to report all reconciliations and corrections to the Exchange or the Clearing Trading Permit Holder

responsible for submission to the Exchange, in accordance with such procedures as may be established by the Exchange from time to time.

. . . Interpretations and Policies:

.01 All Trading Permit Holders and their respective representatives shall make all reasonable efforts to resolve unmatched options trades on trade day. With respect to all options transactions, the following shall apply:

(a) Every Trading Permit Holder must have a representative available to resolve unmatched trades and respond to advisory trades until the final trade transmission is sent to The Options Clearing Corporation. If a Trading Permit Holder cannot reach the opposing Trading Permit Holder or its representative at the appropriate location and published number, the Trading Permit Holder should notify the Exchange's Trade Processing Window, which will verify and record the absence.

(b) All Trading Permit Holders must submit all trades immediately upon execution, as noted under Rule 6.51. If inaccurate information is initially submitted due to an error in carding or keying a trade, the Trading Permit Holder or its representative must make all reasonable efforts to detect and correct these errors.

(c) If an option trade remains unmatched after trade day, it must be resolved no later than fifteen minutes prior to the opening of trading on the following business day. If an unmatched options trade cannot be resolved by mutual agreement, the transaction shall be promptly closed out by the parties pursuant to Rule 10.1. If an unmatched options trade is not resolved by fifteen minutes prior to the opening of trading on the following business day, due to one of the executing brokers not being present or represented on the Exchange floor, the trade shall be submitted to The Options Clearing Corporation pursuant to the terms presented by the executing broker who is in attendance or who is represented during the trade resolution process. Under unusual conditions the Exchange may prescribe a different schedule for the resolution of unmatched trades.

(d) Any Trading Permit Holder who fails to observe the policies and procedures under Rule 6.61 will be responsible for any liability resulting from an unmatched transaction which should have matched.

.02 All Trading Permit Holders, Clearing Trading Permit Holders and their respective representatives shall have readily available all necessary trade records for the resolution of their unmatched trades, and shall be required to produce such trade records upon request.

.03 During the trade resolution process, when a representative of a Trading Permit Holder or a representative of a Clearing Trading Permit Holder, acting on behalf of a Trading Permit Holder makes a verbal commitment to another Trading Permit Holder, Clearing Trading Permit Holder or their respective representatives that commitment is binding upon both parties.

.04 It shall be inconsistent with just and equitable principles of trade for any Trading Permit Holder, a Clearing Trading Permit Holder, or any person associated therewith, while engaged in

the reconciliation and resolution of unmatched or matched transactions to (1) agree to accept any transaction in which the accepting party or its principal was not involved or (2) decline to accept any transaction in which the declining party or its principal was involved.

.05 In addition to the requirements set forth in Interpretation .01 above, the following provision applies to transactions in index options and in any class of options which will trade ex-dividend or ex-distribution the following day:

Trades which do not match on trade day due to a difference in premium and which cannot be resolved that day by the Trading Permit Holders or their representatives, may be resolved provisionally prior to the final trade transmission to the Options Clearing Corporation by the buying Trading Permit Holder agreeing with the premium of the selling Trading Permit Holder in order to match the trade. This will not preclude either the buyer or the seller from asserting his position as to the correct premium in attempting to finally resolve the trade the next morning.

NOTE: The buying Trading Permit Holder should submit a notice to the Trade Processing Window reflecting these price changes, the transaction numbers of the unmatched trades and the opposing party that was contacted.

.06 Reserved.

.07 Reserved.]

[Rule 6.62. Supplementary Unmatched Trade Report

Deleted April 14, 1980.]

[Rule 6.63. Reporting of Matched Trades to Clearing Corporation

(a) On each business day at or prior to such time as may be prescribed by the Clearing Corporation, the Exchange shall furnish the Clearing Corporation a report of each Clearing Trading Permit Holder's matched trades based on the trade information filed with the Exchange on that day. Only trades which have been matched in accordance with the provisions of these Rules shall be furnished by the Exchange to the Clearing Corporation, and the Exchange shall assume no responsibility with respect to any unmatched trade nor for any delays or errors in the reporting to it of trade information. The Exchange may delegate its responsibility in respect of trade matching to the Clearing Corporation or other facility, in which case Clearing Trading Permit Holders shall abide by the procedures established by the Clearing Corporation or other facility in the filing of trade information, the reconciliation of unmatched trades, and other actions pertinent to trade comparison.]

[Rule 6.64. Reserved

Reserved]

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[Rule 10.1. Disagreement on Unmatched Trade

When an unmatched Exchange transaction cannot be resolved under Rule 6.61, the transaction shall be promptly closed out by the parties in the following manner. The Trading Permit Holder representing the purchaser in the unmatched Exchange transaction shall promptly enter into a new purchase transaction on the floor of the Exchange to purchase the option contract that was the subject of the unmatched Exchange transaction, and the Trading Permit Holder representing the writer in the unmatched Exchange transaction shall promptly enter into a new writing transaction on the floor of the Exchange to write the option contract that was the subject of the unmatched Exchange transaction. Any money difference resulting from such transactions shall be settled between the Trading Permit Holders involved, either by mutual agreement or by arbitration pursuant to these Rules, for their own accounts and not for the accounts of their respective customers. Notwithstanding the foregoing, if either Trading Permit Holder is acting for a firm account in the unmatched Exchange transaction, and not for the account of a customer, such Trading Permit Holder need not enter into a new transaction, in which event money differences will be based solely on the closing transaction of the other party to the unmatched transaction.]

* * * * *

[Rule 11.1. Exercise of Option Contracts

(a) Subject to the restrictions set forth in Rule 4.12 and to such restrictions as may be imposed pursuant to Rule 4.16 or pursuant to the Rules of the Clearing Corporation, an outstanding option contract may be exercised during the time period specified in the Rules of the Clearing Corporation by the tender to the Clearing Corporation of an exercise notice in accordance with the Rules of the Clearing Corporation. An exercise notice may be tendered to the Clearing Corporation only by the Clearing Trading Permit Holder in whose account such option contract is carried with the Clearing Corporation.

(b) The Exchange may establish procedures and cutoff times for the submission of exercise advices to the Exchange for noncash-settled equity options. Such procedures and cutoff times will be set forth in an Exchange Regulatory Circular.

(c)

(1) In the event the Exchange provides advance notice, on or before 4:30 p.m. on the business day immediately prior to the last business day before the expiration date, indicating that a modified time for close of Regular Trading Hours in noncash-settled equity options on the last business day before expiration will occur, the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour 30 minutes following the time announced for the close of Regular Trading Hours on that day.

(2) A Contrary Exercise Advice (“CEA”, also known as “Expiring Exercise Declaration” or “EED”) is a communication either: (A) to not exercise an option that would be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure, or (B) to exercise an option that would not be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure.

(i) A CEA may be submitted to the Exchange by a Trading Permit Holder by using the Exchange's Contrary Exercise Advice Form, the Clearing Corporation's ENCORE system, a Contrary Exercise Advice form of any other national securities exchange of which the Trading Permit Holder also has membership or participant privileges and where the option is listed, or such other method as the Exchange may prescribe. A CEA may be canceled by filing an "Advice Cancel" with the Exchange or may be resubmitted at any time up to the submission cut-off times specified below.

(3) Trading Permit Holders and TPH organizations must deliver a CEA or Advice Cancel to the Exchange within 3 hours 30 minutes following the time announced for the close of Regular Trading Hours in noncash-settled equity options on that same day if such TPH organization employs an electronic submission procedure with time stamp for the submission of exercise instructions. For non-customer accounts, Trading Permit Holders and TPH organizations that do not employ an electronic procedure with time stamp for the submission of exercise instructions are required to deliver a CEA or Advice Cancel within 1 hour and 30 minutes following the time announced for the close of Regular Trading Hours on that day.

(d)

(1) The Exchange may establish extended cutoff times for decisions to exercise or not exercise an expiring noncash-settled equity option and for the submission of CEAs on a case-by-case basis due to unusual circumstances. For the purposes of Rule 11.1(d)(1), examples of unusual circumstances would include, but not be limited to: increased market volatility; significant bid/offer spreads in underlying securities; or, internal system malfunctions affecting market quotes and/or deliver orders.

(2) If the Exchange provides advance notice by 12 noon (CST) on the previous business day, the Exchange may establish a reduced cutoff time for the decision to exercise or not exercise an expiring noncash-settled equity option and for the submission of CEAs on a case-by-case basis due to unusual circumstances; provided, however, that under no circumstances should the exercise cutoff time and the time for submission of a CEA be before the close of trading. For the purposes of Rule 11.1(d)(2), examples of unusual circumstances would include, but not be limited to, a significant news announcement scheduled to be released after the close of a business day immediately prior to expiration and that pertains to an underlying security.

. . . Interpretations and Policies:

.01 For purposes of this Rule 11.1, the terms "customer account" and "non-customer account" have the same meanings as defined in OCC By-Laws Article I(C)(25) and Article I(N)(2), respectively.

.02 Each TPH organization shall prepare a memorandum of every exercise instruction received showing the time when such instruction was so received. Such memoranda shall be subject to the requirements of SEC Rule 17a-4(b).

.03 Clearing Trading Permit Holders must follow the procedures of the Clearing Corporation when exercising American-style cash-settled index option contracts issued or to be issued in any account at the Clearing Corporation. Trading Permit Holders must also follow the procedures set forth below with respect to American-style cash-settled index options:

(a) For all contracts exercised by the Trading Permit Holder or by any customer of the Trading Permit Holder on a business day, an "Exercise Advice" must be delivered by the Trading Permit Holder in such form or manner prescribed by the Exchange to a place designated by the Exchange no later than 3:20 p.m. (CT), or if trading hours are extended or modified in the applicable option class, no later than five (5) minutes after the close of Regular Trading Hours on that business day.

(b) Subsequent to the delivery of an "Exercise Advice", should the Trading Permit Holder or a customer of the Trading Permit Holder determine not to exercise all or part of the advised contracts, the Trading Permit Holder must also deliver an "Advice Cancel" in such form or manner prescribed by the Exchange to a place designated by the Exchange no later than 3:20 p.m. (CT), or if trading hours are extended or modified in the applicable option class, no later than five (5) minutes after the close of Regular Trading Hours on that business day.

(c) The President or his designee may determine to extend the applicable deadline for the delivery of "Exercise Advice" and "Advice Cancel" notifications pursuant to this Interpretation .3 if unusual circumstances are present.

(d) No Trading Permit Holder may prepare, time stamp or submit an "Exercise Advice" prior to the purchase of the contracts to be exercised if the Trading Permit Holder knew or had reason to know that the contracts had not yet been purchased.

(e) The procedures set forth in subparagraphs (a)-(b) of this Interpretation .03 do not apply (i) on the business day prior to expiration in series expiring on a day other than a business day or (ii) on the expiration day in series expiring on a business day.

(f) Exercises of American-style, cash-settled index options (and the submission of corresponding "Exercise Advice" and "Advice Cancel" forms) shall be prohibited during any time when trading in such options is delayed, halted, or suspended, subject to the following exceptions:

(i) The exercise of an American-style, cash-settled index option may be processed and given effect in accordance with and subject to OCC rules while trading in the option is delayed, halted, or suspended if it can be documented, in a form prescribed by the Exchange, that the decision to exercise the option was made during allowable time frames prior to the delay, halt, or suspension. Acceptable documentation shall ordinarily be limited to an "Exercise Advice" previously transmitted via OCC's electronic

communications system or a Trading Permit Holder's copy of an "Exercise Advice" previously submitted to the Exchange.

(ii) Exercises of expiring American-style, cash-settled index options shall not be prohibited on the last business day prior to their expiration.

(iii) Exercises of American-style, cash-settled index options shall not be prohibited during a trading halt that occurs at or after 3:00 p.m. (CT). In the event of such a trading halt, exercises may occur through 3:20 p.m. (CT). In addition, if trading resumes following such a trading halt (such as by closing rotation), exercises may occur during the resumption of trading and for five (5) minutes after the close of the resumption of trading. The provisions of this subparagraph (iii) are subject to the authority of the Board to impose restrictions on transactions and exercises pursuant to Rule 4.16(a).

(iv) The President or his designee may determine to permit the exercise of American-style, cash-settled index options while trading in such options is delayed, halted, or suspended.

In the case of an American-style, cash-settled FLEX Index Option, the references in this paragraph (h) to a trading delay, halt, suspension, resumption, or closing rotation shall mean the occurrence of the applicable condition in the standardized option on the index underlying the FLEX Index Option (rather than the occurrence of the applicable condition in the FLEX Index Option itself).

.04 The failure of any Trading Permit Holder to follow the procedures in this Rule 11.1, or a Regulatory Circular issued pursuant to Rule 11.1, may be referred pursuant to Chapter XVII of the Rules and result in the assessment of a fine, which may include but is not limited to disgorgement of potential economic gain obtained or loss avoided by the subject exercise, as determined pursuant to Chapter XVII.

.05 Preparing or submitting an exercise instruction, Exercise Advice, CEA, or Advice Cancel after the applicable deadline on the basis of material information released after such deadline, in addition to constituting a violation of this Rule, is activity inconsistent with just and equitable principles of trade.

.06 The filing of an exercise instruction, Exercise Advice, CEA, or Advice Cancel with the Exchange as required by this rule or a regulatory circular issued pursuant to this rule does not serve to substitute as the effective notice to OCC for the exercise or non-exercise of expiring options.

.07 An exercise instruction, Exercise Advice, CEA or Advice Cancel that is prepared, time stamped, submitted or accepted in violation of the applicable cutoff time may be processed and given effect in accordance with and subject to the rules of OCC, but the Trading Permit Holder violating the cutoff time will be subject to discipline in accordance with the Rules.]

[Rule 11.2. Allocation of Exercise Notices

(a) Each TPH organization shall establish fixed procedures for the allocation of exercise notices assigned in respect of a short position in such TPH organization's customers' accounts. The allocation shall be on a "first in, first out", or automated random selection basis that has been approved by the Exchange, or on a manual random selection basis that has been specified by the Exchange. Each TPH organization shall inform its customers in writing of the method it uses to allocate exercise notices to its customers' accounts, explaining its manner of operation and the consequences of that system.

(b) Each TPH organization shall report its proposed method of allocation to the Exchange and obtain the Exchange's prior approval thereof, and no TPH organization shall change its method of allocation unless the change has been reported to and approved by the Exchange. The requirements of this paragraph shall not be applicable to allocation procedures submitted to and approved by another self-regulatory organization having comparable standards pertaining to methods of allocation.

(c) Each TPH organization shall preserve for a three-year period sufficient work papers and other documentary materials relating to the allocation of exercise notices to establish the manner in which allocation of such exercise notices is in fact being accomplished.]

[Rule 11.3. Delivery and Payment

Delivery of the underlying security upon the exercise of an option contract, and payment of the aggregate exercise price in respect thereof, shall be in accordance with the Rules of the Clearing Corporation. As promptly as possible after the exercise of an option contract by a customer, the TPH organization shall require the customer to make full cash payment of the aggregate exercise price in the case of a call option contract, or to deposit the underlying security in the case of a put option contract, or to make the required margin deposit in respect thereof if the transaction is effected in a margin account, in accordance with the Rules of the Exchange and the applicable regulations of the Federal Reserve Board. As promptly as practicable after the assignment to a customer of an exercise notice the TPH organization shall require the customer to deposit the underlying security in the case of a call option contract if the underlying security is not carried in the customer's account, or to make full cash payment of the aggregate exercise price in the case of a put option contract, or in either case to deposit the required margin in respect thereof if the transaction is effected in a margin account, in accordance with the Rules of the Exchange and the applicable regulations of the Federal Reserve Board.]

[Rule 11.4. Settlement When Delivery of Underlying Stock Is Restricted

Deleted January 3, 1975.]

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[Rule 15.2. Reports of Transactions

Each Trading Permit Holder shall submit to the Exchange on each business day a report of all transactions made by it during said business day. The Exchange may, in its discretion, deem this requirement to be satisfied by the reports required to be filed under the provisions of Rule 6.51(d).]

* * * * *

[Rule 20.11. Exercise of Range Options

Range Options will be exercised at expiration if the settlement value of the underlying index falls within the Range Length, and Range Options shall be subject to the exercise by exception processing procedures set forth in Rules 805 and 1804 of the Clearing Corporation.]

* * * * *

[Rule 21.16. Reconciliation of Unmatched Trades

All Trading Permit Holders, Clearing Trading Permit Holders and their respective agents shall resolve unmatched trades in Government securities options from the previous day's trading no later than 8:00 a.m. (Chicago time) of the following business day.

Rule 21.16 supplements Rule 6.61.]

* * * * *

[Rule 21.23. Allocation of Exercise Assignment Notices

In the case of Government securities options, the method of allocation of exercise notices established pursuant to Rule 11.2 may provide that an exercise notice of block size shall be allocated to a customer or customers having an open short position of block size and that an exercise notice of less than block size shall not be allocated, to the extent feasible, to a customer having a short position of block size; and provided further that, the TPH organization shall allocate an exercise notice pertaining to a call option contract to a customer who has made a specific deposit of the underlying security if it is directed to do so by the Clearing Corporation. For the purposes of this Rule, an exercise notice or a short position in a series of options where the total principal amount is \$1 million or more and where the underlying security is a Government security shall be deemed to be of "block size."

Rule 21.23 supplements Rule 11.2.]

[Rule 21.24. Delivery and Payment (Treasury Bonds and Notes)

(a) General. Payment of the aggregate exercise price or, in the case of market basket options, the adjusted aggregate exercise price, shall be accompanied by payment of accrued interest on the underlying Government security from but not including the last interest payment date to and including the exercise settlement date as specified in the Rules of the Clearing Corporation.

(b) Special Rules for Market Basket Treasury Bond Options. Delivery of underlying Treasury bonds upon exercise of a market basket Treasury bond option shall be made in accordance with the Rules of the Clearing Corporation, and shall consist of any outstanding issue of Treasury bonds that have a remaining term to maturity (to call date if callable) of not less than 15 years on the exercise settlement date, provided that the Exchange, at the time it opens additional series of market basket Treasury bond options in new expiration months, may designate particular issues of Treasury bonds that are not eligible for delivery upon exercise of options of those series. A TPH organization required to make delivery of Treasury bonds on behalf of a customer in connection with the exercise of a market basket Treasury bond option shall deliver the identical Treasury bonds that the customer furnished to the TPH organization for that purpose. A customer shall not be required to pay the adjusted aggregate exercise price until the customer has been informed by the TPH organization acting on his behalf of the precise amount of the adjusted aggregate exercise price, which depends on the identity of the specific Treasury bonds actually delivered. The adjusted aggregate exercise price is determined in the manner designated by the Exchange in order to provide the same yield to maturity (to call date if callable) as if the same principal amount of Treasury bonds bearing a nominal 8% interest rate and a 15-year term to maturity were delivered and paid for at the nominal exercise price. For purposes of the yield equivalence calculation, the term to maturity (to call date if callable) of the Treasury bonds actually delivered shall be rounded down to the nearest number of months evenly divisible by 3. (For example, Treasury bonds with 17 years, 5 months and 4 days to maturity shall be assumed to have 17 years and 3 months remaining term to maturity for purposes of the yield equivalence calculation.)

. . . Interpretations and Policies:

.01 The Exchange has designated the yield equivalence tables prepared by Financial Publishing Company, Boston, Massachusetts (Publication No.) for purposes of the calculation of adjusted aggregate exercise prices under Rule 21.24(b).

.02 Calculations of accrued interest on underlying Treasury securities shall be made in accordance with Treasury Circular 300.

.03 Yield equivalence calculations shall be rounded in accordance with the Rule(s) of the Clearing Corporation.

Rule 21.24 and Interpretations and Policies 21.24.01, .02 and .03 supplement Rule 11.3.]

* * * * *

[Rule 22.15. Automatic Exercise of Binary Option Contracts

Binary options will be automatically exercised at expiration if the settlement value of the underlying broad-based index is equal to or greater than the exercise price of a call binary option or less than the exercise price in the case of a put binary option. Rules 11.2 and Rule 11.3 are not applicable to binary options.]

* * * * *

[Rule 23.11. Reconciliation of Unmatched Trades

All Trading Permit Holders, Clearing Trading Permit Holders and their respective agents shall resolve unmatched trades in interest rate options from the previous day's trading no later than the time set by the Exchange for the opening of trading the following business day.]

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[Rule 24.15. Automatic Execution of Index Options

Rule 6.13 governs the automatic execution of index options trading on the Hybrid System.]

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[Rule 24.18. Exercise of American-style Index Options

No Trading Permit Holder may at any time prepare, time stamp or submit an exercise instruction for an American-style index option series if the Trading Permit Holder knows or has reason to know that the exercise instruction calls for the exercise of more contracts than the then "net long position" of the account for which the exercise instruction is to be tendered. For purposes of this Rule:

(i) the term "net long position" shall mean the net position of the account in such option at the opening of business of the day of such exercise instruction, plus the total number of such options purchased that day in opening purchase transactions up to the time of exercise, less the total number of such options sold that day in closing sale transactions up to the time of exercise,

(ii) the "account" shall be the individual account of the particular customer, market-maker or "non-customer" (as that term is defined in the By-Laws of the Clearing Corporation) who wishes to exercise, and

(iii) every transaction in an option series effected by a market-maker in a market-maker's account shall be deemed to be a closing transaction in respect of the market-maker's then positions in such option series. No Trading Permit Holder may adjust the designation of an "opening transaction" in any such option to a "closing transaction" except to remedy mistakes or errors made in good faith.]

* * * * *

[Rule 28.14. Allocation of Exercise Assignment Notices

In the case of Corporate Debt Security options, the method of allocation of exercise notices established pursuant to Rule 11.2 may provide that an exercise notice of a round lot shall be allocated to a customer or customers having an open short position of a round lot and that an exercise notice of less than a round lot shall not be allocated, to the extent feasible, to a customer having a short position of a round lot; and provided further that, the Trading Permit Holder or TPH organization shall allocate an exercise notice pertaining to a call option contract to a customer who has made a specific deposit of the underlying security if it is directed to do so by the Clearing Corporation. For the purposes of this Rule, an exercise notice or a short position in a series of options of 10 contracts shall be deemed to be a “round lot.”

Rule 28.14 supplements Rule 11.2.]

[Rule 28.15. Delivery and Payment

Payment of the exercise price shall be accompanied by payment of accrued interest on the underlying Corporate Debt Security from but not including the last interest payment date to and including the exercise settlement date as specified in the Rules of the Clearing Corporation.

. . . Interpretations and Policies:

.01 Calculations of accrued interest on any particular Corporate Debt Security shall be made in accordance with the practice currently employed for that security in the underlying cash market.

.02 The rules of the Clearing Corporation provide for special exercise settlement procedures in the event that delivery of the applicable Corporate Debt Security is not possible.

Rule 28.15 and Interpretations and Policies .01 and .02 to Rule 28.15 supplement Rule 11.3.]

* * * * *

[Rule 29.9. Determination of Credit Event, Automatic Exercise and Settlement

(a) Credit Default Options will be subject to automatic exercise upon the Exchange confirming that a Credit Event has occurred in a Reference Entity between the listing date and the last trading day.

(b) Credit Default Basket Options will be subject to automatic payouts and/or exercise upon the Exchange confirming that a Credit Event has occurred in a Basket Component between the listing date and the last trading date as follows:

(1) Multiple Payout Credit Default Basket Options will be subject to automatic payouts each time a Credit Event is confirmed in a Basket Component.

(2) Single Payout Credit Default Basket Options will be subject to automatic exercise as soon as a Credit Event is confirmed in any one of the Basket Components.

(c) The Credit Event confirmation period will begin when the Credit Option contract is listed and will extend to 3:00 p.m. (CT) on the expiration date.

(d) The Exchange will confirm Credit Events based on at least two sources, which may include announcements published via newswire services or information services companies, the names of which will be announced to the Trading Permit Holders via Regulatory Circular, and/or information submitted to or filed with the courts, the SEC, an exchange or association, the Clearing Corporation, or another regulatory agency or similar authority.

(e) For Credit Default Options, if the Exchange determines that a Credit Event in the underlying Reference Entity has occurred prior to 10:59 p.m. (CT) on the last trading day, the Credit Default Option will automatically pay the applicable cash settlement amount (or the applicable adjusted amount) per contract. Otherwise the cash settlement amount will be \$0. If a Credit Event has been confirmed by the Exchange prior to the last trading day, the Credit Default Option will cease trading upon confirmation of the Credit Event.

(f) For Credit Default Basket Options, if the Exchange determines that a Credit Event in a Basket Component has occurred prior to 10:59 p.m. (CT) on the last trading day:

(1) a Multiple Payout Credit Default Basket Option will automatically pay the cash settlement amount (i.e., Notional Face Value of the Basket Component multiplied by one minus the Basket Component recovery rate specified by the Exchange at listing), however, if a Credit Event has been confirmed by the Exchange for each Basket Component prior to the last day of trading, the Multiple Payout Credit Default Basket Option will cease trading upon confirmation of the last Credit Event; and

(2) a Single Payout Credit Default Basket Option will automatically exercise and pay the cash settlement amount (i.e., Notional Face Value of the Basket Component multiplied by one minus the Basket Component recovery rate specified by the Exchange at listing), however, if a Credit Event has been confirmed by the Exchange prior to the last day of trading, the Single Payout Credit Default Basket Option will cease trading upon confirmation of the Credit Event.

(g) Every determination of the Exchange pursuant to this Rule 29.9 will be within its sole discretion and shall be conclusive and binding on all holders and sellers and not subject to review.

Rule 29.9 replaces, for purposes of Chapter XXIX, Rule 11.1. Rule 11.2 is not applicable.]

* * * * *

[Rule 29.15. Nullification and Adjustment of Credit Option Transactions

(a) Except as provided below, Rule 6.25 shall govern the nullification and adjustment of transactions involving Credit Options.

(b) Paragraphs (b), (c)(1), (c)(4), (d), (e), (g), (h), (l), and Interpretation and Policy .05 of Rule 6.25 has no applicability to Credit Option transactions. For purposes of paragraphs (b), (c)(1), (c)(4), (d), (e), (g), (h), (l), and Interpretation and Policy .05 of Rule 6.25, a Trading Permit Holder or person associated with a Trading Permit Holder may have a trade nullified or adjusted if, in addition to the procedural requirements of Rules 6.25(c)(2) and (3), one of the following conditions is satisfied:

(1) Obvious Price Error: An obvious pricing error occurs when the execution price of an electronic transaction is below or above the theoretical price range (i.e., \$0 - \$100) for the series by an amount equal to at least 5% per contract. Such transactions will be adjusted by Trading Officials to a price within 5% of the theoretical price range (i.e., to -\$5 or \$105), unless both parties agree to a nullification.

(2) Verifiable Disruptions or Malfunctions of Exchange Systems. Electronic or open outcry transactions arising out of a “verifiable disruption or malfunction” in the use or operation of any Exchange automated quotation, dissemination, execution, or communication system will be nullified by Trading Officials, unless both parties agree to an adjustment.]

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EXHIBIT 5B

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

(Effective October 7, 2019)

* * * * *

CHAPTER 6. POST-TRANSACTION MATTERS**SECTION A. TRANSACTION REPORTS AND MODIFICATIONS****Rule 6.1. Report Transactions to the Exchange**

(a) Designated Trading Permit Holder Must Report Transaction. A participant in each transaction to be designated by the Exchange must report or ensure the transaction is reported to the Exchange within 90 seconds of the execution in a form and manner prescribed by the Exchange so that the trade information may be reported to time and sales reports. Transactions not reported within 90 seconds after execution in accordance with this Rule shall be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade and subject to summary fine under Rule 13.15 or to discipline under Chapter 13 of the Rules.

(b) Reporting to Trading Permit Holder. For each transaction on the Exchange in which a Trading Permit Holder participates, a Trading Permit Holder shall report the transaction as promptly as possible to the Trading Permit Holder for whom such transaction was made and/or to the Trading Permit Holder that will clear such transaction in a form and manner prescribed by the Exchange.

(c) Transaction Record Procedure. The Exchange has established the following procedure for reporting transactions pursuant to Rule 6.1(a) and (b). For each transaction on the Exchange both the buyer and seller shall immediately record on a card or ticket, or enter in an electronic data storage medium acceptable to the Exchange, (1) the assigned broker initial code and clearing firm (if a Market-Maker); (2) the symbol of the underlying security or index; (3) the type, expiration month, and exercise price of the option contract; (4) the transaction price; (5) the number of contract units comprising the transaction; (6) the time of the transaction obtained from a source designated by the Exchange; (7) the name of the contra Clearing Trading Permit Holder; and (8) the assigned broker initial code of the contra Trading Permit Holder. Such a record shall constitute the "transaction record." The transaction record for any agency order shall also include the account Capacity, as set forth in paragraph (f) below.

(1) The seller in each transaction, or the buyer if designated by the Exchange, shall also within 90 seconds of the execution submit the transaction report through an electronic

data transmission link approved by the Exchange or, in certain circumstances, by providing a paper form copy to the price reporting authority on the Exchange floor.

(2) Trading Permit Holders not using electronic medium to report trades are expected to provide the transaction record to the Trading Permit Holder for whom the transaction was executed and/or to the Clearing Trading Permit Holder that will clear the trade as promptly as possible.

(3) A Trading Permit Holder receiving a report of execution from another Trading Permit Holder shall immediately forward the report to the Clearing Trading Permit Holder that will clear the transaction.

(4) Before submitting the transaction record information for price reporting purposes in the manner prescribed above, the Trading Permit Holder shall use his best efforts to make sure that DPM acting in option contracts of the class involved, or the DPM's clerk, is aware of the transaction and its price.

(5) A Trading Permit Holder shall also submit the transaction record information for price reporting purposes in the manner prescribed above whenever the transaction represents the partial execution of a larger order.

Any floor Trading Permit Holder failing to report a transaction in accordance with paragraph (b) above and this paragraph (c) may be subject to discipline under Chapter 13 of the Rules.

(d) *Reporting Transactions Made Off the Exchange.* For each transaction in which a Trading Permit Holder participates off the Exchange in any option pertaining to an underlying security which is currently approved for Exchange transactions, such Trading Permit Holder shall report the transaction to the Exchange in a form and manner prescribed by the Exchange. With the identity of participants removed, such transactions shall be made public by the Exchange.

(e) *Trade Information.* Each Trading Permit Holder shall file with the Exchange trade information in such form as may be prescribed by the Exchange covering each Exchange transaction during each business day in order to allow the Exchange to properly match and clear trades. The trade information shall show for each transaction (1) the identity of the purchasing Clearing Trading Permit Holder and the writing Clearing Trading Permit Holder, (2) the underlying security, (3) the exercise price, (4) the expiration month, (5) the number of option contracts, (6) the premium per unit, (7) the identity of the executing brokers representing both the purchasing and writing Clearing Trading Permit Holders, (8) whether a purchase or a writing transaction, (9) except for a transaction executed by or for a Market-Maker, whether an opening or closing transaction, (10) the identity of the account of the Clearing Trading Permit Holder in which the transaction was effected, (11) the time of purchase or sale, (12) whether a put or call, and (13) such other information as may be required by the Exchange.

(f) *Form.* When entering orders on the Exchange, each Trading Permit Holder shall submit trade information in such form as may be prescribed by the Exchange in order to allow the Exchange to properly prioritize and route orders pursuant to the rules of the Exchange and report resulting transactions to the Clearing Corporation.

(g) Procedure. The Exchange has established the following procedures for reporting transactions pursuant to Rule 6.1(d):

(1) For trades executed via an electronic data storage medium, or electronic system, trade information shall be immediately submitted to the Exchange for trade matching and clearance.

(2) For trades not executed on an electronic data storage medium, or electronic system, trade information shall be immediately recorded on a card or ticket and submitted as soon as reasonably possible.

(h) Unknown Values. If a Trading Permit Holder has no knowledge of the account Capacity, opening or closing status or time-in-force of an order when the Trading Permit Holder systematizes the order pursuant to Rule 5.7 or reports a trade pursuant to this Rule, as applicable, the Trading Permit Holder may use the following values when systematizing the order through an Exchange-approved device or reporting a transaction, respectively: (1) either open or close, in the Trading Permit Holder's discretion (for opening or closing status); (2) broker-dealer Capacity code of (B)); and (3) day (for time-in-force). The Trading Permit Holder may change any of these initial values via Clearing Editor, and must maintain records of any changes, pursuant to Rule 6.6.

(i) Accurate Information. Pursuant to Rule 8.14, it remains the responsibility of the Trading Permit Holder to provide accurate trade information necessary for the reporting of a trade to time and sales reports or to allow the Exchange to properly match and clear trades. Any actions taken by the Exchange pursuant to paragraph (h) above do not constitute a determination by the Exchange that an order was systematized or a trade was effected in conformity with the requirements of the Rules. Nothing in this Rule is intended to define or limit the ability of the Exchange to sanction or take other remedial action pursuant to other Rules for rule violations or other activity for which remedial measures may be imposed.

(j) Time of Submission of Trade Information.

(1) Trade information shall be considered to have been received by the Exchange as of the time electronically recorded by the Exchange computer system when such trade information has been submitted by electronic transmission to the Exchange or entered into an electronic file for processing by the appropriate Exchange computer system, except as provided in subparagraph (j)(2) below. The point in the system at which the time is electronically recorded shall be determined by the Exchange and uniformly applied to all submissions on any given day. The system may treat trade information contained in a batch transmission as not received until the last record in the batch has been entered into an electronic file.

(2) In the event a Clearing Trading Permit Holder attempts to send trade information by electronic transmission but is unable to get through to the Exchange computer system, the Clearing Trading Permit Holder may contact the Exchange's Trade Desk Department to inquire if the Exchange's system is ready to receive such Clearing Trading Permit Holder's transmission.

(A) If the Exchange determines that its system was not so ready, any trade information submitted by such Clearing Trading Permit Holder within 10 minutes of being informed by Trade Desk personnel that the Exchange's system is so ready will be considered received by the Exchange as of the time the Clearing Trading Permit Holder contacted the Trade Desk, based on the time recorded by the Trade Desk personnel handling the inquiry.

(B) If the Exchange determines that its system was and remains so ready, it will reset the line at the Exchange's end and so inform the Clearing Trading Permit Holder. Any trade information submitted by such Clearing Trading Permit Holder within 10 minutes of being informed by Trade Desk personnel that the Exchange's system remains ready to accept such data and the line has been reset will be considered received by the Exchange as of the time the Clearing Trading Permit Holder contacted the Trade Desk, based on the time recorded by the Trade Desk personnel handling the inquiry. Such procedure shall apply only once for any given day, and repetitive use of this subparagraph by any Clearing Trading Permit Holder shall be investigated. Employing this subparagraph when no actual attempt was made to transmit trade information shall cause this subparagraph to be inapplicable and such action shall be considered conduct inconsistent with just and equitable principles of trade.

Rule 6.2. Transaction Reports; Users' Identities

(a) The System sends to a User aggregated and individual transaction reports for the User's transactions, which reports include transaction details; the contra party's EFID, clearing Trading Permit Holder account number, and Capacity; and the name of any away exchange if an order was routed for execution.

(b) The Exchange reveals a User's identity (1) when a registered clearing agency ceases to act for a participant, or the User's Clearing Trading Permit Holder, and the registered clearing agency determines not to guarantee the settlement of the User's trades, or (2) for regulatory purposes or to comply with an order of an arbitrator or court.

Rule 6.3. Unmatched Trade Reports

(a) *Matched Trades Reports.* On each business day the Exchange shall match the trade information submitted by Trading Permit Holders on that day and shall issue Unmatched Trade Reports to each Clearing Trading Permit Holder, which shall contain a list (1) of such Clearing Trading Permit Holder's trades on such day for which the Exchange did not receive matching trade data from another Clearing Trading Permit Holder (called "unmatched trades") and (2) of all trades reported by other Clearing Trading Permit Holders for which such Clearing Trading Permit Holder submitted no matching trade data (called "advisory trades").

(b) *Resolution of Unmatched Trades.* Promptly upon receipt of an Unmatched Trade Notification or Report, a Trading Permit Holder shall be obligated to reconcile all unmatched trades and advisory trades shown thereon and to report all reconciliations and corrections to the Exchange

or the Clearing Trading Permit Holder responsible for submission to the Exchange, in accordance with such procedures as may be established by the Exchange from time to time. All Trading Permit Holders and their respective representatives shall make all reasonable efforts to resolve unmatched options trades on trade day. With respect to all options transactions, the following shall apply:

(1) Every Trading Permit Holder must have a representative available to resolve unmatched trades and respond to advisory trades until the final trade transmission is sent to The Options Clearing Corporation. If a Trading Permit Holder cannot reach the opposing Trading Permit Holder or its representative at the appropriate location and published number, the Trading Permit Holder should notify the Exchange's Trade Desk, which will verify and record the absence.

(2) All Trading Permit Holders must submit all trades immediately upon execution, as noted under Rule 6.1. If inaccurate information is initially submitted due to an error in carding or keying a trade, the Trading Permit Holder or its representative must make all reasonable efforts to detect and correct these errors.

(3) If an option trade remains unmatched after trade day, it must be resolved no later than 15 minutes prior to the opening of trading on the following business day. If an unmatched options trade cannot be resolved by mutual agreement, the transaction shall be promptly closed out by the parties pursuant to paragraph (g) below. If an unmatched options trade is not resolved by 15 minutes prior to the opening of trading on the following business day, due to one of the executing brokers not being present or represented on the Exchange floor, the trade shall be submitted to The Options Clearing Corporation pursuant to the terms presented by the executing broker who is in attendance or who is represented during the trade resolution process. Under unusual conditions the Exchange may prescribe a different schedule for the resolution of unmatched trades. Notwithstanding the foregoing, all Trading Permit Holders, Clearing Trading Permit Holders and their respective agents shall resolve unmatched trades in:

(A) Government securities options from the previous day's trading no later than 9:00 a.m. of the following business day.

(B) interest rate options from the previous day's trading no later than the time set by the Exchange for the opening of trading the following business day.

(4) Any Trading Permit Holder who fails to observe the policies and procedures under this Rule will be responsible for any liability resulting from an unmatched transaction which should have matched.

(c) Records of Resolutions of Unmatched Trades. All Trading Permit Holders, Clearing Trading Permit Holders and their respective representatives shall have readily available all necessary trade records for the resolution of their unmatched trades, and shall be required to produce such trade records upon request.

(d) Verbal Commitment. During the trade resolution process, when a representative of a Trading Permit Holder or a representative of a Clearing Trading Permit Holder, acting on behalf of a Trading Permit Holder makes a verbal commitment to another Trading Permit Holder, Clearing Trading Permit Holder or their respective representatives that commitment is binding upon both parties.

(e) Acceptance of Transactions. It shall be inconsistent with just and equitable principles of trade for any Trading Permit Holder, a Clearing Trading Permit Holder, or any person associated therewith, while engaged in the reconciliation and resolution of unmatched or matched transactions to (1) agree to accept any transaction in which the accepting party or its principal was not involved or (2) decline to accept any transaction in which the declining party or its principal was involved.

(f) Ex-dividend or Ex-distribution. In addition to the requirements set forth in paragraph (b) above, the following provision applies to transactions in index options and in any class of options which will trade ex-dividend or ex-distribution the following day:

(1) Trades which do not match on trade day due to a difference in premium and which cannot be resolved that day by the Trading Permit Holders or their representatives, may be resolved provisionally prior to the final trade transmission to the Clearing Corporation by the buying Trading Permit Holder agreeing with the premium of the selling Trading Permit Holder in order to match the trade. This will not preclude either the buyer or the seller from asserting his position as to the correct premium in attempting to finally resolve the trade the next morning.

(2) The buying Trading Permit Holder should submit a notice to the Trade Desk reflecting these price changes, the transaction numbers of the unmatched trades and the opposing party that was contacted.

(g) Disagreement on Unmatched Trades. When an unmatched Exchange transaction cannot be resolved under paragraph (a) above, the transaction shall be promptly closed out by the parties in the following manner. The Trading Permit Holder representing the purchaser in the unmatched Exchange transaction shall promptly enter into a new purchase transaction on the floor of the Exchange to purchase the option contract that was the subject of the unmatched Exchange transaction, and the Trading Permit Holder representing the writer in the unmatched Exchange transaction shall promptly enter into a new writing transaction on the floor of the Exchange to write the option contract that was the subject of the unmatched Exchange transaction. Any money difference resulting from such transactions shall be settled between the Trading Permit Holders involved, either by mutual agreement or by arbitration pursuant to these Rules, for their own accounts and not for the accounts of their respective customers. Notwithstanding the foregoing, if either Trading Permit Holder is acting for a firm account in the unmatched Exchange transaction, and not for the account of a customer, such Trading Permit Holder need not enter into a new transaction, in which event money differences will be based solely on the closing transaction of the other party to the unmatched transaction

Rule 6.4. Reporting of Trades to OCC

(a) All transactions made on the Exchange shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the Rules of the Clearing Corporation. Each Trading Permit Holder shall file with, or at the direction of, the Exchange trade information in accordance with Rule 6.1(d) for each Exchange transaction for which such Trading Permit Holder is responsible.

(b) On each business day at or prior to a time prescribed by the Clearing Corporation, the Exchange submits to the Clearing Corporation a report of each Clearing Trading Permit Holder's trades matched in accordance with the Rules. The Exchange assumes no responsibility with respect to any unmatched trade nor for any delays or errors in the reporting to it of trade information. The Exchange may delegate its responsibility in respect of trade matching to the Clearing Corporation or other facility, in which case Clearing Trading Permit Holders must abide by the procedures established by the Clearing Corporation or other facility in the filing of trade information, the reconciliation of unmatched trades, and other actions pertinent to trade comparison.

Rule 6.5. Nullification and Adjustment of Option Transactions Including Obvious Errors

The Exchange may nullify a transaction or adjust the execution price of a transaction in accordance with this Rule. Unless otherwise stated, the provisions contained within this Rule are applicable to electronic transactions only. However, the determination as to whether a trade was executed at an erroneous price may be made by mutual agreement of the affected parties to a particular transaction. An electronic or open outcry trade may be nullified or adjusted on the terms that all parties to a particular transaction agree, provided, however, that such agreement to nullify or adjust must be conveyed to the Exchange in a manner prescribed by the Exchange prior to 8:30 a.m. on the first trading day following the execution. It is considered conduct inconsistent with just and equitable principles of trade for any TPH to use the mutual adjustment process to circumvent any applicable Exchange rule, the Act or any of the rules and regulations thereunder.

(a) Definitions.

(1) *Customer*. For purposes of this Rule, a Customer shall not include any broker-dealer, Professional Customer, or Voluntary Professional Customer.

(2) *Erroneous Sell/Buy Transaction*. For purposes of this Rule, an "erroneous sell transaction" is one in which the price received by the person selling the option is erroneously low, and an "erroneous buy transaction" is one in which the price paid by the person purchasing the option is erroneously high.

(3) *Official*. For purposes of this Rule, an Official is an Officer of the Exchange or such other employee designee of the Exchange that is trained in the application of this Rule.

(4) *Size Adjustment Modifier*. For purposes of this Rule, the Size Adjustment Modifier will be applied to individual transactions as follows:

<u>Number of Contracts per Execution</u>	<u>Adjustment – TP Plus/Minus</u>
<u>1-50</u>	<u>N/A</u>
<u>51-250</u>	<u>2 times adjustment amount</u>
<u>251-1000</u>	<u>2.5 times adjustment amount</u>
<u>1001 or more</u>	<u>3 times adjustment amount</u>

(b) Theoretical Price. Upon receipt of a request for review and prior to any review of a transaction execution price, the “Theoretical Price” for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last NBO just prior to the trade in question would be the last NBB and last NBO just prior to the Exchange’s receipt of the order. The Exchange will rely on this paragraph (b) and Interpretation and Policy .08 of this Rule when determining Theoretical Price.

(1) Transactions at the Open.

(A) Except as provided in subparagraph (B) below, for a transaction occurring as part of the Opening Process (as defined in Rule 5.31) the Exchange will determine the Theoretical Price if there is no NBB or NBO for the affected series just prior to the erroneous transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in subparagraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.

(A) For transactions occurring as part of opening auction process in any index options series being used to calculate the final settlement price of a volatility index on the final settlement day, the Theoretical Price is the first quote after the transaction(s) in question that does not reflect the erroneous transaction(s), provided that the quote size is for at least the overall size of the opening auction opening trade; if the quote size is for less than the overall size of the opening auction opening trade, then paragraph (c) and (d) shall not apply.

(2) No Valid Quotes. The Exchange will determine the Theoretical Price if there are no quotes or no valid quotes for comparison purposes. Quotes that are not valid are:

(A) all quotes in the applicable option series published at a time where the last NBB is higher than the last NBO in such series (a “crossed market”);

(B) quotes published by the Exchange that were submitted by either party to the transaction in question;

(C) quotes published by another options exchange if either party to the transaction in question submitted the quotes in the series representing such options exchange’s best bid or offer, provided that the Exchange will only consider quotes invalid on other options exchanges in up to 25 total options series that the party identifies to the Exchange the quotes which were submitted by such party and published by other options exchanges; and

(D) quotes published by another options exchange against which the Exchange has declared self-help.

(3) *Wide Quotes.* The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the erroneous transaction was equal to or greater than the Minimum Amount set forth below and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction. If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction then the Theoretical Price of an option series is the last NBB or NBO just prior to the transaction in question, as set forth in paragraph (b) above.

<u>Bid Price at Time of Trade</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.75</u>
<u>\$2.00 to \$5.00</u>	<u>\$1.25</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$1.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$2.50</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$3.00</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$4.50</u>
<u>Above \$100.00</u>	<u>\$6.00</u>

(c) *Obvious Errors.*

(1) *Definition.* For purposes of this Rule, an Obvious Error will be deemed to have occurred when the Exchange receives a properly submitted filing where the execution

price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

<u>Theoretical Price</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.25</u>
<u>\$2.00 to \$5.00</u>	<u>\$0.40</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$0.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$0.80</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$1.00</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$1.50</u>
<u>Above \$100.00</u>	<u>\$2.00</u>

(2) Time Deadline. A party that believes that it participated in a transaction that was the result of an Obvious Error must notify the Exchange’s Trade Desk in the manner specified from time to time by the Exchange in a circular distributed to TPHs. Such notification must be received by the Exchange’s Trade Desk within the timeframes specified below:

(A) Customer Orders. For an execution of a Customer order, a filing must be received by the Exchange within 30 minutes of the execution, subject to subparagraph (2)(C) below; and

(B) “Non-Customer” Orders. For an execution of any order other than a Customer order, a filing must be received by the Exchange within 15 minutes of the execution, subject to subparagraph (C) below.

(C) Linkage Trades. Any other options exchange will have a total of 45 minutes for Customer orders and 30 minutes for non-Customer orders, measured from the time of execution on the Exchange, to file with the Exchange for review of transactions routed to the Exchange from that options exchange and executed on the Exchange (“linkage trades”). This includes filings on behalf of another options exchange filed by a third-party routing broker if such third-party broker identifies the affected transactions as linkage trades. In order to facilitate timely reviews of linkage trades the Exchange will accept filings from either the other options exchange or, if applicable, the third-party routing broker that routed the applicable order(s). The additional 15 minutes provided with respect to linkage trades shall only apply to the extent the options exchange that originally received and routed the order to the Exchange itself received a timely filing from the entering

participant (i.e., within 30 minutes if a Customer order or 15 minutes if a non-Customer order).

(3) Official Acting on Own Motion. An Official may review a transaction believed to be erroneous on his/her own motion in the interest of maintaining a fair and orderly market and for the protection of investors. A transaction reviewed pursuant to this paragraph may be nullified or adjusted only if it is determined by the Official that the transaction is erroneous in accordance with the provisions of this Rule, provided that the time deadlines of subparagraph (c)(2) above shall not apply. The Official shall act as soon as possible after becoming aware of the transaction, and ordinarily would be expected to act on the same day that the transaction occurred. In no event shall the Official act later than 8:30 a.m. on the next trading day following the date of the transaction in question. Transactions adjusted or nullified under this provision cannot be reviewed by an Obvious Error Panel under paragraph (k) but can be appealed in accordance with paragraph (m) below; however, a determination by an Official not to review a transaction or determination not to nullify or adjust a transaction for which a review was conducted on an Official's own motion is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of this Rule, no additional relief may be granted under this provision.

(4) Adjust or Bust. If it is determined that an Obvious Error has occurred, the Exchange shall take one of the actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) Non-Customer Transactions. Where neither party to the transaction is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any non-Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above.

<u>Theoretical Price (TP)</u>	<u>Buy Transaction Adjustment - TP Plus</u>	<u>Sell Transaction Adjustment - TP Minus</u>
<u>Below \$3.00</u>	<u>\$0.15</u>	<u>\$0.15</u>
<u>At or above \$3.00</u>	<u>\$0.30</u>	<u>\$0.30</u>

(B) Customer Transactions. Where at least one party to the Obvious Error is a Customer, the trade will be nullified, subject to subparagraph (4)(C) below.

(C) Application of Customer Transaction. If any TPH submits requests to the Exchange for review of transactions pursuant to this rule, and in aggregate that TPH has 200 or more Customer transactions under review concurrently and the orders resulting in such transactions were submitted during the course of two minutes or less, where at least one party to the Obvious Error is a non-Customer,

the Exchange will apply the non-Customer adjustment criteria set forth in subparagraph (A) above to such transactions.

(d) Catastrophic Errors.

(1) Definition. For purposes of this Rule, a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

<u>Theoretical Price (TP)</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.50</u>
<u>\$2.00 to \$5.00</u>	<u>\$1.00</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$1.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$2.00</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$2.50</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$3.00</u>
<u>Above \$100.00</u>	<u>\$4.00</u>

(2) Time Deadline. A party that believes that it participated in a transaction that was the result of a Catastrophic Error must notify the Exchange's Trade Desk in the manner specified from time to time by the Exchange in a circular distributed to TPHs. For transactions occurring during regular trading hours, such notification must be received by the Exchange's Trade Desk by 8:30 a.m. on the first trading day following the execution. For transactions occurring during Global Trading Hours, such notification must be received within 2 hours of the close of the Global Trading Hours session. For transactions in an expiring options series that take place on an expiration day, a party must notify the Exchange's Trade Desk within 45 minutes after the close of trading that same day. Relief will not be granted under paragraph (d) if an Obvious Error Panel has previously rendered a decision with respect to the transaction(s) in question.

(3) Adjust or Bust. If an Official determines that a Catastrophic Error has not occurred, the Trading Permit Holder will be subject to a charge of \$5,000. If it is determined that a Catastrophic Error has occurred, the Exchange shall take action as set forth below. Upon

taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone. In the event of a Catastrophic Error, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any Customer order subject to this sub- paragraph will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

<u>Theoretical Price (TP)</u>	<u>Buy Transaction Adjustment - TP Plus</u>	<u>Sell Transaction Adjustment - TP Minus</u>
<u>Below \$2.00</u>	<u>\$0.50</u>	<u>\$0.50</u>
<u>\$2.00 to \$5.00</u>	<u>\$1.00</u>	<u>\$1.00</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$1.50</u>	<u>\$1.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$2.00</u>	<u>\$2.00</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$2.50</u>	<u>\$2.50</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$3.00</u>	<u>\$3.00</u>
<u>Above \$100.00</u>	<u>\$4.00</u>	<u>\$4.00</u>

(e) Significant Market Events.

(1) Definition. For purposes of this Rule, a Significant Market Event will be deemed to have occurred when: criterion (A) below is met or exceeded or the sum of all applicable event statistics, where each is expressed as a percentage of the relevant threshold in criteria (A) through (D) below, is greater than or equal to 150% and 75% or more of at least one category is reached, provided that no single category can contribute more than 100% to the sum and any category contributing more than 100% will be rounded down to 100%. All criteria set forth below will be measured in aggregate across all exchanges.

(A) Transactions that are potentially erroneous would result in a total Worst-Case Adjustment Penalty of \$30,000,000, where the Worst-Case Adjustment Penalty is computed as the sum, across all potentially erroneous trades, of:

(i) \$0.30 (i.e., the largest Transaction Adjustment value listed in subparagraph (e)(3)(A) below); times

(ii) the contract multiplier for each traded contract; times

(iii) the number of contracts for each trade; times

(iv) the appropriate Size Adjustment Modifier for each trade, if any, as defined in sub-paragraph (e)(3)(A) below.

(B) Transactions involving 500,000 options contracts are potentially erroneous.

(C) Transactions with a notional value (i.e., number of contracts traded multiplied by the option premium multiplied by the contract multiplier) of \$100,000,000 are potentially erroneous.

(D) 10,000 transactions are potentially erroneous.

(2) Coordination with Other Options Exchanges. To ensure consistent application across options exchanges, in the event of a suspected Significant Market Event, the Exchange shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event. When this paragraph is invoked, the Exchange will promptly coordinate with the other options exchanges to determine the appropriate review period as well as select one or more specific points in time prior to the transactions in question and use one or more specific points in time to determine Theoretical Price. Other than the selected points in time, if applicable, the Exchange will determine Theoretical Price in accordance with paragraph (b) above.

(3) Adjust or Bust. If it is determined that a Significant Market Event has occurred then, using the parameters agreed as set forth in subparagraph (e)(2) above, if applicable, an Official will determine whether any or all transactions under review qualify as Obvious Errors. The Exchange shall take one of the actions listed below with respect to all transactions that qualify as Obvious Errors pursuant to subparagraph (c)(1) above. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) The execution price of each affected transaction will be adjusted by an Official to the price provided below unless both parties agree to adjust the transaction to a different price or agree to bust the trade. In the context of a Significant Market Event, any error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above.

<u>Theoretical Price (TP)</u>	<u>Buy Transaction Adjustment - TP Plus</u>	<u>Sell Transaction Adjustment - TP Minus</u>
<u>Below \$3.00</u>	<u>\$0.15</u>	<u>\$0.15</u>
<u>At or above \$3.00</u>	<u>\$0.30</u>	<u>\$0.30</u>

(B) Where at least one party to the transaction is a Customer, the trade will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

(4) Nullification of Transactions. If the Exchange, in consultation with other options exchanges, determines that timely adjustment is not feasible due to the extraordinary nature of the situation, then the Exchange will nullify some or all transactions arising out of the Significant Market Event during the review period selected by the Exchange and other options exchanges consistent with this paragraph. To the extent the Exchange, in consultation with other options exchanges, determines to nullify less than all transactions arising out of the Significant Market Event, those transactions subject to nullification will be selected based upon objective criteria with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(5) Final Rulings. With respect to rulings made pursuant to this paragraph, the number of affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Accordingly, rulings by the Exchange pursuant to this paragraph are non-appealable.

(f) Trading Halts. The Exchange shall nullify any transaction that occurs during a trading halt in the affected option on the Exchange pursuant to Rule 5.20.

(g) Erroneous Print in Underlying. An electronic or open outcry trade resulting from an erroneous print(s) disseminated by the underlying market that is later nullified by that underlying market shall be adjusted or busted as set forth in subparagraph (c)(4) of this Rule, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. For purposes of this paragraph, a trade resulting from an erroneous print(s) shall mean any options trade executed during a period of time for which one or more executions in the underlying security are nullified and for one second thereafter. If a party believes that it participated in an erroneous transaction resulting from an erroneous print(s) pursuant to this paragraph it must notify the Exchange's Trade Desk within the timeframes set forth in subparagraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification by the underlying market(s) of nullification of transactions in the underlying security. If multiple underlying markets nullify trades in the underlying security, the allowed notification timeframe will commence at the time of the first market's notification. For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related ETF(s), HOLDRS(s) and/or index value(s), and/or related futures product(s)) and the relevant underlying market(s) will be designated by the Exchange and announced to the Trading Permit Holders via Regulatory Circular. To qualify for consideration as an "underlying:" (1) the ETF, HOLDRS or index option class and related instrument must be derived from or designed to track the same underlying index; or (2) in the case of S&P 100-related options, the options class and related instrument must be derived from or designed to track the S&P 100 Index or the S&P 500 Index.

(h) Erroneous Quote in Underlying. A trade resulting from an erroneous quote(s) in the underlying security shall be adjusted or busted as set forth in subparagraph (c)(4) of this Rule, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. An erroneous quote occurs when the underlying security has a width of at least \$1.00 and has a width at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For purposes of this paragraph, the average quote width shall be determined by adding

the quote widths of sample quotations at regular 15-second intervals during the four-minute time period referenced above (excluding the quote(s) in question) and dividing by the number of quotes during such time period (excluding the quote(s) in question). If a party believes that it participated in an erroneous transaction resulting from an erroneous quote(s) pursuant to this paragraph it must notify the Exchange's Trade Desk in accordance with subparagraph (c)(2) above. For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related ETF(s), HOLDRS(s) and/or index value(s), and/or related futures product(s)) and the relevant underlying market(s) will be designated by the Exchange and announced to the Trading Permit Holders via Regulatory Circular. To qualify for consideration as an "underlying:" (1) the ETF, HOLDRS or index option class and related instrument must be derived from or designed to track the same underlying index; or (2) in the case of S&P 100-related options, the options class and related instrument must be derived from or designed to track the S&P 100 Index or the S&P 500 Index.

(i) *Stop (and Stop-Limit) Order Trades Triggered by Erroneous Trades.* Transactions resulting from the triggering of a stop or stop-limit order by an erroneous trade in an option contract shall be nullified by the Exchange, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. If a party believes that it participated in an erroneous transaction pursuant to this paragraph it must notify the Exchange's Trade Desk within the timeframes set forth in subparagraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification of the nullification of transaction(s) that triggered the stop or stop-limit order.

(j) *Linkage Trades.* If the Exchange routes an order pursuant to the Intermarket Options Linkage Plan that results in a transaction on another options exchange (a "Linkage Trade") and such options exchange subsequently nullifies or adjusts the Linkage Trade pursuant to its rules, the Exchange will perform all actions necessary to complete the nullification or adjustment of the Linkage Trade.

(k) *Obvious Error Panel.*

(1) *Composition.* An Obvious Error Panel will be comprised of at least 1 member of the Exchange's staff designated to perform Obvious Error Panel functions and 4 Trading Permit Holders. Fifty percent of the number of Trading Permit Holders on the Obvious Error Panel must be directly engaged in market making activity and fifty percent of the number of Trading Permit Holders on the Obvious Error Panel must act in the capacity of a non-DPM floor broker.

(2) *Scope of Review.* If a party affected by a determination made under paragraph (c) so requests within the time permitted in paragraph (k)(3) below, an Obvious Error Panel will review decisions made under this Rule, including whether an obvious error occurred, whether the correct Theoretical Price was used, and whether the correct adjustment was made at the correct price. A party may also request that the Obvious Error Panel provide relief as required in this Rule in cases where the party failed to provide the notification required in paragraph (c)(2) and an extension was not granted, but unusual circumstances must merit special consideration. A party cannot request review by an Obvious Error

Panel of determinations by an Exchange Official made pursuant to paragraph (c)(3) of this Rule.

(3) Procedure for Requesting Review. A request for review must be made in writing within 30 minutes after a party receives notification of a determination under paragraph (c), except that if notification is made after 3:30 p.m., either party has until 9:30 a.m. the next trading day to request review. The Obvious Error Panel shall review the facts and render a decision on the day of the transaction, or the next trade day in the case where a request is properly made the next trade day.

(4) Panel Decision. The Obvious Error Panel may overturn or modify an action taken under this Rule upon agreement by a majority of the Panel representatives. All determinations by the Obvious Error Panel may be appealed in accordance with paragraph (m) of this Rule.

(l) Catastrophic Error Panel.

(1) Composition. A Catastrophic Error Panel will be comprised of at least one member of the Exchange's staff designated to perform Catastrophic Error Panel functions and four Trading Permit Holders. Fifty percent of the number of Trading Permit Holders on the Catastrophic Error Panel must be directly engaged in market making activity and fifty percent of the number of Trading Permit Holders on the Catastrophic Error Panel must act in the capacity of a non-DPM floor broker.

(2) Scope of Review. If a party affected by a determination made under paragraph (d) so requests within the time permitted in paragraph (l)(3) below, a Catastrophic Error Panel will review decisions made under this Rule, including whether a catastrophic error occurred, whether the correct Theoretical Price was used, and whether the correct adjustment was made at the correct price.

(3) Procedure for Requesting Review. A request for review must be made in writing within 30 minutes after a party receives notification of a determination under paragraph (d), except that if notification is made after 3:30 p.m., either party has until 9:30 a.m. the next trading day to request review. The Catastrophic Error Panel shall review the facts and render a decision on the day of the transaction, or the next trade day in the case where a request is properly made the next trade day.

(4) Panel Decision. The Catastrophic Error Panel may overturn or modify an action taken under this Rule upon agreement by a majority of the Panel representatives. All determinations by the Catastrophic Error Panel may be appealed in accordance with paragraph (m) of this Rule.

(m) Review. Subject to the limitations contained in (c)(3) above, a Trading Permit Holder affected by a determination made under this Rule may appeal such determination, in accordance with Chapter 15 of the Exchange's rules. For purposes of this Rule, a Trading Permit Holder must be aggrieved as described in Rule 15.1. Notwithstanding any provision in Rule 15.2 to the contrary, a request for review must be made in writing (in a form and manner prescribed by the

Exchange) no later than the close of trading on the next trade date after the Trading Permit Holder receives notification of such determination from the Exchange.

Interpretations and Policies

.01 *Limit Up-Limit Down State.* The following policy (Rule 6.5.01) shall be in effect during a pilot period that expires at the close of business on October 18, 2019.

An execution will not be subject to review as an Obvious Error or Catastrophic Error pursuant to paragraph (c) or (d) of this Rule if it occurred while the underlying security was in a “Limit State” or “Straddle State,” as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. Nothing in this provision shall prevent such execution from being reviewed on an Official’s own motion pursuant to subparagraph (c)(3) of this Rule, or a bust or adjust pursuant to paragraphs (e) through (j) and Interpretation .05 of this Rule.

.02 *Resulting Execution Price Stands.* For the purposes of this Rule, to the extent the provisions of this Rule would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

.03 *Opening Transactions in Restricted Series.* Notwithstanding the provisions of Rule 6.5, opening transactions that do not satisfy the requirements of Rule 4.4 will be nullified.

.04 *Binary Options.* For purposes of the obvious error provisions in paragraph (c) of this Rule, the adjusted price (including any applicable adjustment under subparagraph (c)(4)(A) for non-customer transactions) shall not exceed the applicable exercise settlement amount for the binary option.

.05 *Verifiable Disruptions or Malfunctions of Exchange Systems.* Electronic or open outcry transactions arising out of a “verifiable disruption or malfunction” in the use or operation of any Exchange automated quotation, dissemination, execution, or communication system will either be nullified or adjusted by an Official. Transactions that qualify for price adjustment will be adjusted to Theoretical Price, as defined in paragraph (b) above.

.06 *Submission of Dispute to Arbitration.* Any determination made by an Official, an Obvious Error Panel, or a Catastrophic Error Panel under this Rule shall be rendered without prejudice as to the rights of the parties to the transaction to submit a dispute to arbitration.

.07 *Complex Orders and Stock-Option Orders.*

(a) If a complex order executes against individual legs and at least one of the legs qualifies as an Obvious Error under subparagraph (c)(1) or a Catastrophic Error under subparagraph (d)(1), then the leg(s) that is an Obvious or Catastrophic error will be adjusted in accordance with subparagraph (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, any Customer order subject to this paragraph (a) will be nullified if the

adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price on the complex order or individual leg(s). If any leg of a complex order is nullified, the entire transaction is nullified.

(b) If a complex order executes against another complex order and at least one of the legs qualifies as an Obvious Error under subparagraph (c)(1) or a Catastrophic Error under subparagraph (d)(1), then the leg(s) that is an Obvious or Catastrophic Error will be adjusted or busted in accordance with subparagraph (c)(4) or (d)(3), respectively, so long as either: (1) the width of the National Spread Market for the complex order strategy just prior to the erroneous transaction was equal to or greater than the amount set forth in the wide quote table of subparagraph (b)(3); or (2) the net execution price of the complex order is higher (lower) than the offer (bid) of the National Spread Market for the complex order strategy just prior to the erroneous transaction by an amount equal to at least the amount shown in the table in subparagraph (c)(1). If any leg of a complex order is nullified, the entire transaction is nullified.

(c) If the option leg of a stock-option order qualifies as an Obvious Error under subparagraph (c)(1) or a Catastrophic Error under subparagraph (d)(1), then the option leg that is an Obvious or Catastrophic Error will be adjusted in accordance with subparagraph (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, the option leg of any Customer order subject to this paragraph (c) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price on the stock-option order, and the Exchange will attempt to nullify the stock leg. Whenever a stock trading venue nullifies the stock leg of a stock-option order or whenever the stock leg cannot be executed, the Exchange will nullify the option leg upon request of one of the parties to the transaction or in accordance with subparagraph (c)(3).

.08 Exchange Determining Theoretical Price. For purposes of this Rule, when the Exchange must determine Theoretical Price pursuant to subparagraphs (b)(1) through (3) (i.e., at the open, when there are no valid quotes or when there is a wide quote), then the Exchange will determine Theoretical Price as follows.

(a) The Exchange will request Theoretical Price from the third party vendor defined in paragraph (d) below ("TP Provider") to which the Exchange and all other options exchanges have subscribed. The Exchange will apply the Theoretical Price provided by the TP Provider, except as otherwise described below.

(b) To the extent an Official of the Exchange believes that the Theoretical Price provided by the TP Provider is fundamentally incorrect and cannot be used consistent with the maintenance of a fair and orderly market, the Official shall contact the TP Provider to notify the TP Provider of the reason the Official believes such Theoretical Price is inaccurate and to request a review and correction of the calculated Theoretical Price. The Exchange shall also promptly provide electronic notice to other options exchanges that the TP Provider has been contacted consistent with this paragraph and include a brief explanation of the reason for the request.

(c) An Official of the Exchange may determine the Theoretical Price if the TP Provider has experienced a systems issue that has rendered its services unavailable to accurately calculate Theoretical Price and such issue cannot be corrected in a timely manner.

(d) The current TP Provider to which the Exchange and all other options exchanges have subscribed is: Cboe Livevol, LLC. Neither the Exchange, the TP Provider, nor any affiliate of the TP Provider (the TP Provider and its affiliates are referred to collectively as the "TP Provider"), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of the TP Provider pursuant to this Interpretation .08. The TP Provider does not guarantee the accuracy or completeness of the calculated Theoretical Price. The TP Provider disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such Theoretical Price. Neither the Exchange nor the TP Provider shall have any liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the use of such Theoretical Price or arising out of any errors or delays in calculating such Theoretical Price.

.09 Nullification of Credit Option Transactions. Paragraphs (b), (c)(1), (c)(4), (d), (e), (g), (h), (l), and Interpretation and Policy .05 of Rule 6.5 have no applicability to Credit Option transactions.

(a) For purposes of paragraphs (b), (c)(1), (c)(4), (d), (e), (g), (h), (l), and Interpretation and Policy .05 of Rule 6.5, a Trading Permit Holder or person associated with a Trading Permit Holder may have a trade nullified or adjusted if, in addition to the procedural requirements of Rules 6.5(c)(2) and (3), one of the following conditions is satisfied:

(1) *Obvious Price Error.* An obvious pricing error occurs when the execution price of an electronic transaction is below or above the theoretical price range (i.e., \$0 - \$100) for the series by an amount equal to at least 5% per contract. Such transactions will be adjusted by Trading Officials to a price within 5% of the theoretical price range (i.e., to -\$5 or \$105), unless both parties agree to a nullification.

(2) *Verifiable Disruptions or Malfunctions of Exchange Systems.* Electronic or open outcry transactions arising out of a "verifiable disruption or malfunction" in the use or operation of any Exchange automated quotation, dissemination, execution, or communication system will be nullified by Trading Officials, unless both parties agree to an adjustment.

* * * * *

SECTION B. EXERCISES AND DELIVERIES

Rule 6.20. Exercise of Options Contracts

(a) *General.* Subject to the restrictions set forth in Rule 8.42 and to such restrictions as may be imposed pursuant to Rule 8.46 or pursuant to the Rules of the Clearing Corporation, an outstanding option contract may be exercised during the time period specified in the Rules of the Clearing Corporation by the tender to the Clearing Corporation of an exercise notice in accordance with the Rules of the Clearing Corporation. An exercise notice may be tendered to

the Clearing Corporation only by the Clearing Trading Permit Holder in whose account such option contract is carried with the Clearing Corporation.

(b) Exchange Established Procedures and Cut-off Times. The Exchange may establish procedures and cutoff times for the submission of exercise advices to the Exchange for noncash-settled equity options.

(c) Advanced Notice of Modified Time. In the event the Exchange provides advance notice, on or before 5:30 p.m. on the business day immediately prior to the last business day before the expiration date, indicating that a modified time for close of Regular Trading Hours in noncash-settled equity options on the last business day before expiration will occur, the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour 30 minutes following the time announced for the close of Regular Trading Hours on that day.

(d) Contrary Exercise Advice. A Contrary Exercise Advice (“CEA”, also known as “Expiring Exercise Declaration” or “EED”) is a communication either: (i) to not exercise an option that would be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure, or (ii) to exercise an option that would not be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure.

(1) A CEA may be submitted to the Exchange by a Trading Permit Holder by using the Exchange’s Contrary Exercise Advice Form, the Clearing Corporation’s ENCORE system, a Contrary Exercise Advice form of any other national securities exchange of which the Trading Permit Holder also has membership or participant privileges and where the option is listed, or such other method as the Exchange may prescribe. A CEA may be canceled by filing an “Advice Cancel” with the Exchange or may be resubmitted at any time up to the submission cut-off times specified below.

(2) Trading Permit Holders and TPH organizations must deliver a CEA or Advice Cancel to the Exchange within 3 hours 30 minutes following the time announced for the close of Regular Trading Hours in noncash-settled equity options on that same day if such TPH organization employs an electronic submission procedure with time stamp for the submission of exercise instructions. For non-customer accounts, Trading Permit Holders and TPH organizations that do not employ an electronic procedure with time stamp for the submission of exercise instructions are required to deliver a CEA or Advice Cancel within 1 hour and 30 minutes following the time announced for the close of Regular Trading Hours on that day.

(3) The Exchange may establish extended cutoff times for decisions to exercise or not exercise an expiring noncash-settled equity option and for the submission of CEAs on a case-by-case basis due to unusual circumstances. For the purposes of this subparagraph (d)(3), examples of unusual circumstances would include, but not be limited to: increased market volatility; significant bid/offer spreads in underlying securities; or, internal system malfunctions affecting market quotes and/or deliver orders.

(4) If the Exchange provides advance notice by 1:00 p.m. on the previous business day, the Exchange may establish a reduced cutoff time for the decision to exercise or not

exercise an expiring noncash-settled equity option and for the submission of CEAs on a case-by-case basis due to unusual circumstances; provided, however, that under no circumstances should the exercise cutoff time and the time for submission of a CEA be before the close of trading. For the purposes of the subparagraph (d)(4), examples of unusual circumstances would include, but not be limited to, a significant news announcement scheduled to be released after the close of a business day immediately prior to expiration and that pertains to an underlying security.

(e) *American-style Index Options.* No Trading Permit Holder may at any time prepare, time stamp or submit an exercise instruction for an American-style index option series if the Trading Permit Holder knows or has reason to know that the exercise instruction calls for the exercise of more contracts than the then “net long position” of the account for which the exercise instruction is to be tendered. For purposes of this Rule:

(1) the term “net long position” shall mean the net position of the account in such option at the opening of business of the day of such exercise instruction, plus the total number of such options purchased that day in opening purchase transactions up to the time of exercise, less the total number of such options sold that day in closing sale transactions up to the time of exercise,

(2) the “account” shall be the individual account of the particular customer, market-maker or “non-customer” (as that term is defined in the By-Laws of the Clearing Corporation) who wishes to exercise, and

(3) every transaction in an option series effected by a market-maker in a market-maker’s account shall be deemed to be a closing transaction in respect of the market-maker’s then positions in such option series. No Trading Permit Holder may adjust the designation of an “opening transaction” in any such option to a “closing transaction” except to remedy mistakes or errors made in good faith.

(f) *Range Options.* Range Options will be exercised at expiration if the settlement value of the underlying index falls within the Range Length, and Range Options shall be subject to the exercise by exception processing procedures set forth in Rules 805 and 1804 of the Clearing Corporation.

(g) *Binary Options.* Binary options will be automatically exercised at expiration if the settlement value of the underlying broad-based index is equal to or greater than the exercise price of a call binary option or less than the exercise price in the case of a put binary option.

(h) *Credit Options.* Notwithstanding paragraphs (a) through (d) above,

(1) Credit Default Options will be subject to automatic exercise upon the Exchange confirming that a Credit Event has occurred in a Reference Entity between the listing date and the last trading day.

(2) Credit Default Basket Options will be subject to automatic payouts and/or exercise upon the Exchange confirming that a Credit Event has occurred in a Basket Component between the listing date and the last trading date as follows:

(A) Multiple Payout Credit Default Basket Options will be subject to automatic payouts each time a Credit Event is confirmed in a Basket Component.

(B) Single Payout Credit Default Basket Options will be subject to automatic exercise as soon as a Credit Event is confirmed in any one of the Basket Components.

(3) The Credit Event confirmation period will begin when the Credit Option contract is listed and will extend to 4:00 p.m. on the expiration date.

(4) The Exchange will confirm Credit Events based on at least two sources, which may include announcements published via newswire services or information services companies, the names of which will be announced to the Trading Permit Holders via Regulatory Circular, and/or information submitted to or filed with the courts, the SEC, an exchange or association, the Clearing Corporation, or another regulatory agency or similar authority.

(5) For Credit Default Options, if the Exchange determines that a Credit Event in the underlying Reference Entity has occurred prior to 11:59 p.m. on the last trading day, the Credit Default Option will automatically pay the applicable cash settlement amount (or the applicable adjusted amount) per contract. Otherwise the cash settlement amount will be \$0. If a Credit Event has been confirmed by the Exchange prior to the last trading day, the Credit Default Option will cease trading upon confirmation of the Credit Event.

(6) For Credit Default Basket Options, if the Exchange determines that a Credit Event in a Basket Component has occurred prior to 11:59 p.m. on the last trading day:

(A) a Multiple Payout Credit Default Basket Option will automatically pay the cash settlement amount (i.e., Notional Face Value of the Basket Component multiplied by one minus the Basket Component recovery rate specified by the Exchange at listing), however, if a Credit Event has been confirmed by the Exchange for each Basket Component prior to the last day of trading, the Multiple Payout Credit Default Basket Option will cease trading upon confirmation of the last Credit Event; and

(B) a Single Payout Credit Default Basket Option will automatically exercise and pay the cash settlement amount (i.e., Notional Face Value of the Basket Component multiplied by one minus the Basket Component recovery rate specified by the Exchange at listing), however, if a Credit Event has been confirmed by the Exchange prior to the last day of trading, the Single Payout Credit Default Basket Option will cease trading upon confirmation of the Credit Event.

(7) Every determination of the Exchange pursuant to this subparagraph (h) will be within its sole discretion and shall be conclusive and binding on all holders and sellers and not subject to review.

Interpretations and Policies

.01 For purposes of this Rule 6.20, the terms “customer account” and “non-customer account” have the same meanings as defined in OCC By-Laws Article I(C)(25) and Article I(N)(2), respectively.

.02 Each TPH organization shall prepare a memorandum of every exercise instruction received showing the time when such instruction was so received. Such memoranda shall be subject to the requirements of SEC Rule 17a-4(b).

.03 Clearing Trading Permit Holders must follow the procedures of the Clearing Corporation when exercising American-style cash-settled index option contracts issued or to be issued in any account at the Clearing Corporation. Trading Permit Holders must also follow the procedures set forth below with respect to American-style cash-settled index options:

(a) For all contracts exercised by the Trading Permit Holder or by any customer of the Trading Permit Holder on a business day, an “Exercise Advice” must be delivered by the Trading Permit Holder in such form or manner prescribed by the Exchange to a place designated by the Exchange no later than 4:20 p.m., or if trading hours are extended or modified in the applicable option class, no later than five minutes after the close of Regular Trading Hours on that business day.

(b) Subsequent to the delivery of an “Exercise Advice”, should the Trading Permit Holder or a customer of the Trading Permit Holder determine not to exercise all or part of the advised contracts, the Trading Permit Holder must also deliver an “Advice Cancel” in such form or manner prescribed by the Exchange to a place designated by the Exchange no later than 4:20 p.m. , or if trading hours are extended or modified in the applicable option class, no later than five minutes after the close of Regular Trading Hours on that business day.

(c) The President or his designee may determine to extend the applicable deadline for the delivery of “Exercise Advice” and “Advice Cancel” notifications pursuant to this Interpretation .03 if unusual circumstances are present.

(d) No Trading Permit Holder may prepare, time stamp or submit an “Exercise Advice” prior to the purchase of the contracts to be exercised if the Trading Permit Holder knew or had reason to know that the contracts had not yet been purchased.

(e) The procedures set forth in subparagraphs (a)-(b) of this Interpretation .03 do not apply (1) on the business day prior to expiration in series expiring on a day other than a business day or (2) on the expiration day in series expiring on a business day.

(f) Exercises of American-style, cash-settled index options (and the submission of corresponding “Exercise Advice” and “Advice Cancel” forms) shall be prohibited during any time when trading in such options is delayed, halted, or suspended, subject to the following exceptions:

(1) The exercise of an American-style, cash-settled index option may be processed and given effect in accordance with and subject to OCC rules while trading in the option is delayed, halted, or suspended if it can be documented, in a form prescribed by the Exchange, that the decision to exercise the option was made during allowable time frames prior to the delay, halt, or suspension. Acceptable documentation shall ordinarily be limited to an “Exercise Advice” previously transmitted via OCC’s electronic communications system or a Trading Permit Holder’s copy of an “Exercise Advice” previously submitted to the Exchange.

(2) Exercises of expiring American-style, cash-settled index options shall not be prohibited on the last business day prior to their expiration.

(3) Exercises of American-style, cash-settled index options shall not be prohibited during a trading halt that occurs at or after 4:00 p.m. In the event of such a trading halt, exercises may occur through 4:20 p.m. In addition, if trading resumes following such a trading halt (such as by closing rotation), exercises may occur during the resumption of trading and for five minutes after the close of the resumption of trading. The provisions of this subparagraph (f)(3) are subject to the authority of the Board to impose restrictions on transactions and exercises pursuant to Rule 8.46(a).

(4) The President or his designee may determine to permit the exercise of American-style, cash-settled index options while trading in such options is delayed, halted, or suspended.

In the case of an American-style, cash-settled FLEX Index Option, the references in this paragraph (h) to a trading delay, halt, suspension, resumption, or closing rotation shall mean the occurrence of the applicable condition in the standardized option on the index underlying the FLEX Index Option (rather than the occurrence of the applicable condition in the FLEX Index Option itself).

.04 The failure of any Trading Permit Holder to follow the procedures in this Rule 6.20, or a Regulatory Circular issued pursuant to this Rule, may be referred pursuant to Chapter 13 of the Rules and result in the assessment of a fine, which may include but is not limited to disgorgement of potential economic gain obtained or loss avoided by the subject exercise, as determined pursuant to Chapter 13.

.05 Preparing or submitting an exercise instruction, Exercise Advice, CEA, or Advice Cancel after the applicable deadline on the basis of material information released after such deadline, in addition to constituting a violation of this Rule, is activity inconsistent with just and equitable principles of trade.

.06 The filing of an exercise instruction, Exercise Advice, CEA, or Advice Cancel with the Exchange as required by this rule or a regulatory circular issued pursuant to this rule does not

serve to substitute as the effective notice to OCC for the exercise or non-exercise of expiring options.

.07 An exercise instruction, Exercise Advice, CEA or Advice Cancel that is prepared, time stamped, submitted or accepted in violation of the applicable cutoff time may be processed and given effect in accordance with and subject to the rules of OCC, but the Trading Permit Holder violating the cutoff time will be subject to discipline in accordance with the Rules.

Rule 6.21. Allocation of Exercise Notices

(a) General. Each TPH organization shall establish fixed procedures for the allocation of exercise notices assigned in respect of a short position in such TPH organization's customers' accounts. The allocation shall be on a "first in, first out", or automated random selection basis that has been approved by the Exchange, or on a manual random selection basis that has been specified by the Exchange. Each TPH organization shall inform its customers in writing of the method it uses to allocate exercise notices to its customers' accounts, explaining its manner of operation and the consequences of that system.

(b) Reporting. Each TPH organization shall report its proposed method of allocation to the Exchange and obtain the Exchange's prior approval thereof, and no TPH organization shall change its method of allocation unless the change has been reported to and approved by the Exchange. The requirements of this paragraph shall not be applicable to allocation procedures submitted to and approved by another self-regulatory organization having comparable standards pertaining to methods of allocation.

(c) Retention. Each TPH organization shall preserve for a three-year period sufficient work papers and other documentary materials relating to the allocation of exercise notices to establish the manner in which allocation of such exercise notices is in fact being accomplished.

(d) Government Securities Options. In the case of Government securities options, the method of allocation of exercise notices established pursuant to this Rule may provide that an exercise notice of block size shall be allocated to a customer or customers having an open short position of block size and that an exercise notice of less than block size shall not be allocated, to the extent feasible, to a customer having a short position of block size; and provided further that, the TPH organization shall allocate an exercise notice pertaining to a call option contract to a customer who has made a specific deposit of the underlying security if it is directed to do so by the Clearing Corporation. For the purposes of this paragraph (d), an exercise notice or a short position in a series of options where the total principal amount is \$1 million or more and where the underlying security is a Government security shall be deemed to be of "block size."

(e) Corporate Debt Security Options. In the case of Corporate Debt Security options, the method of allocation of exercise notices established pursuant to the Rule may provide that an exercise notice of a round lot shall be allocated to a customer or customers having an open short position of a round lot and that an exercise notice of less than a round lot shall not be allocated, to the extent feasible, to a customer having a short position of a round lot; and provided further that, the Trading Permit Holder or TPH organization shall allocate an exercise notice pertaining to a call option contract to a customer who has made a specific deposit of the underlying security if it is

directed to do so by the Clearing Corporation. For the purposes of this Rule, an exercise notice or a short position in a series of options of 10 contracts shall be deemed to be a “round lot.”

(f) *Non-applicability.* This Rule 6.21 does not apply to binary options or credit default options.

Rule 6.22. Delivery and Payment

(a) *General.* Delivery of the underlying security upon the exercise of an option contract, and payment of the aggregate exercise price in respect thereof, shall be in accordance with the Rules of the Clearing Corporation. As promptly as possible after the exercise of an option contract by a customer, the TPH organization shall require the customer to make full cash payment of the aggregate exercise price in the case of a call option contract, or to deposit the underlying security in the case of a put option contract, or to make the required margin deposit in respect thereof if the transaction is effected in a margin account, in accordance with the Rules of the Exchange and the applicable regulations of the Federal Reserve Board. As promptly as practicable after the assignment to a customer of an exercise notice the TPH organization shall require the customer to deposit the underlying security in the case of a call option contract if the underlying security is not carried in the customer’s account, or to make full cash payment of the aggregate exercise price in the case of a put option contract, or in either case to deposit the required margin in respect thereof if the transaction is effected in a margin account, in accordance with the Rules of the Exchange and the applicable regulations of the Federal Reserve Board.

(b) *Government Securities Options.*

(1) *General.* Payment of the aggregate exercise price or, in the case of market basket options, the adjusted aggregate exercise price, shall be accompanied by payment of accrued interest on the underlying Government security from but not including the last interest payment date to and including the exercise settlement date as specified in the Rules of the Clearing Corporation.

(2) *Market Basket Treasury Bond Options.* Delivery of underlying Treasury bonds upon exercise of a market basket Treasury bond option shall be made in accordance with the Rules of the Clearing Corporation, and shall consist of any outstanding issue of Treasury bonds that have a remaining term to maturity (to call date if callable) of not less than 15 years on the exercise settlement date, provided that the Exchange, at the time it opens additional series of market basket Treasury bond options in new expiration months, may designate particular issues of Treasury bonds that are not eligible for delivery upon exercise of options of those series.

(A) A TPH organization required to make delivery of Treasury bonds on behalf of a customer in connection with the exercise of a market basket Treasury bond option shall deliver the identical Treasury bonds that the customer furnished to the TPH organization for that purpose.

(B) A customer shall not be required to pay the adjusted aggregate exercise price until the customer has been informed by the TPH organization acting on his behalf of the precise amount of the adjusted aggregate exercise price, which

depends on the identity of the specific Treasury bonds actually delivered. The adjusted aggregate exercise price is determined in the manner designated by the Exchange in order to provide the same yield to maturity (to call date if callable) as if the same principal amount of Treasury bonds bearing a nominal 8% interest rate and a 15-year term to maturity were delivered and paid for at the nominal exercise price. For purposes of the yield equivalence calculation, the term to maturity (to call date if callable) of the Treasury bonds actually delivered shall be rounded down to the nearest number of months evenly divisible by three. (For example, Treasury bonds with 17 years, five months and four days to maturity shall be assumed to have 17 years and three months remaining term to maturity for purposes of the yield equivalence calculation.)

(C) The Exchange has designated the yield equivalence tables prepared by Financial Publishing Company, Boston, Massachusetts (Publication No.) for purposes of the calculation of adjusted aggregate exercise prices.

(D) Calculations of accrued interest on underlying Treasury securities shall be made in accordance with Treasury Circular 300.

(E) Yield equivalence calculations shall be rounded in accordance with the Rule(s) of the Clearing Corporation.

(c) Corporate Debt Security Options. Payment of the exercise price shall be accompanied by payment of accrued interest on the underlying Corporate Debt Security from but not including the last interest payment date to and including the exercise settlement date as specified in the Rules of the Clearing Corporation.

(1) Calculations of accrued interest on any particular Corporate Debt Security shall be made in accordance with the practice currently employed for that security in the underlying cash market.

(2) The Rules of the Clearing Corporation provide for special exercise settlement procedures in the event that delivery of the applicable Corporate Debt Security is not possible.

(e) Non-applicability. This Rule 6.22 does not apply to binary options.

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