

Exhibit 5

Proposed new language is underlined; Proposed deletions are in [brackets].

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CHAPTER 2. MEMBERS OF THE EXCHANGE

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Rule 2.5. Restrictions

(a)-(g) (No changes.)

*Interpretations and Policies***.01 Proficiency Examinations:**

(a)-(c) (No changes.)

(d) The Exchange requires each Member other than a sole proprietorship or a proprietary trading firm with 25 or fewer Authorized Traders (“Limited Size Proprietary Firm”) to register at least two Principals with the Exchange. A Limited Size Proprietary Firm is required to register at least one Principal with the Exchange. In addition, the Exchange may waive the two Principal requirement in situations that indicate conclusively that only one Principal associated with the Member should be required. For purposes of this paragraph (d), a “Principal” shall be any individual responsible for supervising the activities of a Member’s Authorized Traders and each person designated as a Chief Compliance Officer on Schedule A of Form BD. This paragraph (d) shall not apply to a Member that solely conducts business on the Exchange as an Options Member, however, Options Members must comply with the registration requirements set forth in Rule 17.2(g). Each Principal is required to successfully complete the General Securities Principal Examination (“Series 24”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel. The Exchange will accept the New York Stock Exchange Series 14 Compliance Official Examination in lieu of the Series 24 to satisfy the above requirement for any person designated as a Chief Compliance Officer. Individuals that supervise the activities of General Securities Representatives must successfully complete the Series 7 as a prerequisite to the Series 24 or Series 14 and shall be referred to as General Securities Principals. The Exchange will require the Series 57 as a prerequisite to the Series 24 or Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of Series 57 qualified Securities Traders. These limited representative Principals shall be referred to as Securities Trader Principals. Each Principal with responsibility over securities trading activities on the Exchange shall become qualified and registered as a Securities Trader Principal.

(e)-(h) (No changes.)

(i) The following sets forth the qualification requirements for each of the registration categories described above:

CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
General Securities Representative	Series 7 and SIE	
Securities Trader	Series 57 and SIE	N/A
General Securities Principal	Series 24	Compliance Official Examination (Series 14) ¹
Securities Trader Principal	Series 24	Compliance Official Examination (Series 14) ¹
Financial Operations Principal	Series 27	Other examination acceptable to designated examining authority ²
<u>Options Principal³</u>	<u>Series 4</u>	<u>General Securities Principal Examination (Series 24)</u>

¹ The Exchange will only permit the Series 14 for those designated as Chief Compliance Officers on Schedule A of Form BD.

² An examination acceptable to the Member's designated examining authority is only acceptable to the Exchange if the Exchange waives the requirements of paragraph (e).

³ Please refer to Rule 17.2(g) for a more details description of the requirements for registration as an Options Principal.

(j) (No changes.)

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Rule 2.11. MEMX Execution Services LLC as Outbound Router

(a) (No changes.)

(1)-(5) (No changes.)

(6) The Exchange or MEMX Execution Services may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, MEMX Execution Services, or a routing destination. The Exchange or MEMX Execution Services shall provide notice of the cancellation to affected Members as soon as practicable. MEMX Execution Services shall maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under Rule 11.15 or an obvious error under Rule 20.6 and result from a technical or systems issue at MEMX Execution Services, the

Exchange, a routing destination, or a non-affiliate third-party routing broker that affects one or more orders (“Error Positions”).

(A)-(E) (No changes.)

(b) (No changes.)

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CHAPTER 8. DISCIPLINE

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Rule 8.15. Imposition of Fines for Minor Violation(s) of Rules

(a)-(e) (No changes.)

Interpretations and Policies

.01 List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to Rule 8.15:

Recommended Fine Schedule – 8.15.01(a)-(e)

Occurrence*	Individual	Member firm
First time fined	\$100	\$500
Second time fined	\$300	\$1,000
Third time fined	\$500	\$2,500

*Within a “rolling” 12-month period.

(a) Rule 4.2 and Interpretations, thereunder, requiring the submission of responses to Exchange requests for trading data within specified time period.

(b) Rule 11.10(a)(5) requirement to identify short sale orders as such.

(c) Rule 11.10(f) requirement to comply with locked and crossed market rules.

(d) Rule 3.5 Advertising Practices.

(e) Rule 12.11 Interpretation and Policy .01 and Exchange Act Rule 604 – Failure to properly display limit orders.

Recommended Fine Amount for 8.15.01(f)-(g): \$100 per violation

(f) Rule 4.2 and Interpretations thereunder related to the requirement to furnish Exchange-related order, market and transaction data, as well as financial or regulatory records and information.

(g) Rule 11.20(a)(1) requirement for Market Makers to maintain continuous two-sided quotations.

Recommended Fine Amount for 8.15.01(h); see paragraph (h) below.

(h) For failures to comply with the Consolidated Audit Trail Compliance Rule requirements of Rules 4.5 through 4.16, the Exchange may impose a minor rule violation fine of up to \$2,500.

Recommended Fines for 8.15.01(i): see Rule 25.3

(i) Rules contained in the Rules applicable to MX2 Options, as set forth in Rule 25.3 (Penalty for Minor Rule Violations).

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CHAPTER 16. GENERAL PROVISIONS – MX2 OPTIONS

Rule 16.1. Definitions

With respect to the Rules contained in Chapters 16 to 29 below, relating to the trading of options contracts on the Exchange, the following terms shall have the meanings specified in this Rule. A term defined elsewhere in the Exchange Rules shall have the same meaning with respect to this Chapter 16, unless otherwise defined below.

ABBO

The term “ABBO” means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (as defined in Rule 27.1) and calculated by the Exchange based on market information the Exchange receives from OPRA.

Aggregate Exercise Price

The term “aggregate exercise price” means the exercise price of an options contract multiplied by the number of units of the underlying security covered by the options contract.

American-Style Option

The term “American-style option” means an options contract that, subject to the provisions of Rule 23.1 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, may be exercised at any time from its commencement time until its expiration.

Associated Person and Person Associated with an Options Member

The terms “associated person” and “person associated with an Options Member” mean any partner, officer, director, or branch manager of an Options Member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with an Options Member or any employee of an Options Member.

Bid

The term “bid” means a limit order to buy one or more options contracts.

Board

The term “Board” means the Board of Directors of MX2 LLC.

Call

The term “call” means an options contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the number of shares of the underlying security covered by the options contract.

Capacity

The term “Capacity” means the capacity in which a User submits an order, which the User specifies by applying the corresponding code to the order. The Capacity codes available on MX2 Options will be listed in publicly available specifications and published in a Regulatory Circular.

Class of Options

The terms “class” or “class of options” mean all options contracts with the same unit of trading covering the same underlying security or index.

Clearing Corporation and OCC

The terms “Clearing Corporation” and “OCC” mean The Options Clearing Corporation.

Clearing Member

The term “Clearing Member” means an Options Member that is self-clearing or an Options Member that clears MX2 Options Transactions for other Members of MX2 Options.

Closing Purchase Transaction

The term “closing purchase transaction” means an MX2 Options Transaction that reduces or eliminates a short position in an options contract.

Closing Writing Transaction

The term “closing writing transaction” means an MX2 Options Transaction that reduces or eliminates a long position in an options contract.

Covered Short Position

The term “covered short position” means (i) an options position where the obligation of the writer of a call option is secured by a “specific deposit” or an “escrow deposit” meeting the conditions of Rules 610(f) or 610(g), respectively, of the Rules of the Clearing Corporation, or the writer holds in the same account as the short position, on a share-for-share basis, a long position either in the underlying security or in an options contract of the same class of options where the exercise price of the options contract in such long position is equal to or less than the exercise price of the options contract in such short position; and (ii) an options position where the writer of a put option holds in the same account as the short position, on a share-for-share basis, a long position in an options contract of the same class of options where the exercise price of the options contract in such long position is equal to or greater than the exercise price of the options contract in such short position.

Customer

The term “Customer” means a Public Customer or a broker-dealer.

Customer Order

The term “Customer Order” means an agency order for the account of a Customer.

Discretion

The term “discretion” means the authority of a broker or dealer to determine for a Customer the type of option, the class or series of options, the number of contracts, or whether options are to be bought or sold.

European-Style Option

The term “European-style option” means an options contract that, subject to the provisions of Rule 23.1 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, can be exercised only on its expiration date.

Exchange Act

The term “Exchange Act” means the Securities Exchange Act of 1934, as amended, or Rules thereunder.

Exercise Price

The term “exercise price” means the specified price per unit at which the underlying security may be purchased or sold upon the exercise of an options contract.

He, Him, and His

The terms “he,” “him” and “his” are deemed to refer to persons of female as well as male gender, and to include organizations, as well as individuals, when the context so requires.

Index Option

The term “index option” means an options contract that is an option on a broad-based, narrow-based or micro narrow-based index of equity securities prices.

Individual Equity Option

The term “individual equity option” means an options contract which is an option on an equity security.

Long Position

The term “long position” means a person’s interest as the holder of one or more options contracts.

MX2 Exchange and Exchange

The terms “MX2 Exchange” and “Exchange” mean MX2 LLC.

MX2 Exchange Rules and Exchange Rules

The terms “MX2 Exchange Rules” and “Exchange Rules” mean the rules of the Exchange, including those for equities and options.

MX2 Options

The term “MX2 Options” means the MX2 LLC Options Market, an options trading facility of the Exchange under Section 3(a)(2) of the Exchange Act.

MX2 Options Book

The term “MX2 Options Book” means the electronic book of options orders maintained by the Trading System.

MX2 Options Transaction

The term “MX2 Options Transaction” means a transaction involving an options contract that is effected on or through MX2 Options or its facilities or systems.

NBB, NBO, and NBBO

The term “NBB” means the national best bid, the term “NBO” means the national best offer, and the term “NBBO” means the national best bid or offer as calculated by MX2 Options based on market information received by MX2 Options from OPRA.

Offer

The term “offer” means a limit order to sell one or more options contracts.

OPRA

The term “OPRA” means the Options Price Reporting Authority.

Opening Purchase Transaction

The term “opening purchase transaction” means an MX2 Options Transaction that creates or increases a long position in an options contract.

Opening Writing Transaction

The term “opening writing transaction” means an MX2 Options Transaction that creates or increases a short position in an options contract.

Options Contract

The term “options contract” means a put or a call issued, or subject to issuance by the Clearing Corporation pursuant to the Rules of the Clearing Corporation.

Options Market Close and Market Close

The terms “options market close” and “market close” mean the time the Exchange specifies for the end of a trading session on the Exchange on that trading day.

Options Market Maker and Market Maker

The terms “Options Market Maker” and “Market Maker” mean an Options Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter 22 of these Rules.

Options Market Open and Market Open

The terms “options market open” and “market open” mean the time the Exchange specifies for the beginning of a trading session on the Exchange on that trading day.

Options Member

The term “Options Member” means a firm, or organization that is registered with the Exchange pursuant to Chapter 17 of these Rules for purposes of participating in options trading on MX2 Options as an “Options Order Entry Firm” or “Options Market Maker.”

Options Member Agreement

The term “Options Member Agreement” means the agreement to be executed by Options Members to qualify to participate on MX2 Options.

Options Order Entry Firm, Order Entry Firm, and OEF

The terms “Options Order Entry Firm” and “Order Entry Firm” or “OEF” mean those Options Members representing as agent Customer Orders on MX2 Options and those non-Market Maker Members conducting proprietary trading.

Options Principal

The term “Options Principal” means a person engaged in the management and supervision of the Options Member’s business pertaining to options contracts that has responsibility for the overall oversight of the Options Member’s options related activities on the Exchange.

Order

The term “order” means a firm commitment to buy or sell options contracts as defined in Rule 21.1(c).

Outstanding

The term “outstanding” means an options contract which has been issued by the Clearing Corporation and has neither been the subject of a closing writing transaction nor has reached its expiration date.

Primary Market

The term “primary market” means, in the case of securities listed on Nasdaq Stock Market, LLC (“Nasdaq”), the market that is identified as the listing market pursuant to Section X(d) of the approved national market system plan governing the trading of Nasdaq-listed securities, and, in the case of securities listed on another national securities exchange, the market that is identified as the listing market pursuant to Section XI of the Consolidated Tape Association Plan.

Priority Customer and Priority Customer Order

The term “Priority Customer” means any person or entity that is not: (A) a broker or dealer in securities; or (B) a Professional. The term “Priority Customer Order” means an order for the account of a Priority Customer.

Professional

The term “Professional” means any person or entity that (A) is not a broker or dealer in securities; and (B) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). All Professional orders shall be appropriately marked by Options Members.

Protected Quotation

The term “Protected Quotation” has the meaning provided in Rule 27.1.

Public Customer

The term “Public Customer” means a person that is not a broker or dealer in securities.

Put

The term “put” means an options contract under which the holder of the option has the right, in accordance with the terms and provisions of the option and the Rules of the OCC, to sell to the Clearing Corporation the number of units of the underlying security covered by the options contract, at a price per unit equal to the exercise price, upon the timely exercise of such option.

Quarterly Options Series

The term “Quarterly Options Series” means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and expires at the close of business on the last business day of a calendar quarter.

Quote and Quotation

The terms “quote” and “quotation” mean a bid or offer entered by a Market Maker as a firm order that updates the Market Maker’s previous bid or offer, if any.

Responsible Person

The term “Responsible Person” means a U.S.-based officer, director, or management-level employee of an Options Member, who is registered with the Exchange as an Options Principal, responsible for the direct supervision and control of associated persons of that Options Member.

Rules of MX2 Options

The term “Rules of MX2 Options” mean the rules contained in Chapters 16 to 29 of the MX2 LLC Exchange Rules governing the trading of options on the Exchange.

Rules of the Clearing Corporation and Rules of the OCC

The terms “Rules of the Clearing Corporation” and “Rules of the OCC” mean the Certificate of Incorporation, the By-Laws and the Rules of the Clearing Corporation, and all written interpretations thereof, as may be in effect from time to time.

SEC and Commission

The terms “SEC” and “Commission” mean the United States Securities and Exchange Commission.

Series of Options

The terms “series” or “series of options” mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date.

Short Position

The term “short position” means a person’s interest as the writer of one or more options contracts.

Short Term Option Series

The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this section for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

SRO

The term “SRO” means a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act.

Trading System and System

The terms “Trading System” and “System” mean the automated trading system used by MX2 Options for the trading of options contracts.

Type of Option

The term “type of option” means the classification of an options contract as either a put or a call.

Uncovered

The term “uncovered” means a short position in an options contract that is not covered.

Underlying Security

The term “underlying security” means the security that the Clearing Corporation shall be obligated to sell (in the case of a call option) or purchase (in the case of a put option) upon the valid exercise of an options contract.

User

The term “User” means any Options Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3 (Access).

Interpretations and Policies

.01 Calculation of Professional Orders. Except as noted below, each order of any order type counts as one order for Professional order counting purposes.

(a) Complex Orders:

(1) A complex order comprised of eight (8) option legs or fewer counts as a single order;

(2) A complex order comprised of nine (9) option legs or more counts as multiple orders with each option leg counting as its own separate order;

(b) “Parent”/“Child” Orders:

(1) Same Side and Same Series: A “parent” order that is placed for the beneficial account(s) of a person or entity that is not a broker or dealer in securities that is broken into multiple “child” orders on the same side (buy/sell) and series as the “parent” order by a broker or dealer, or by an algorithm housed at a broker or dealer or by an algorithm licensed from a broker or dealer, but which is housed with the customer, counts as one order even if the “child” orders are routed across multiple exchanges.

(2) Both Sides and/or Multiple Series: A “parent” order (including a strategy order) that is broken into multiple “child” orders on both sides (buy/sell) of a series

and/or multiple series counts as multiple orders, with each “child” order counting as a new and separate order.

(c) Cancel/Replace:

(1) Except as provided in paragraph (c)(2) below, any order that cancels and replaces an existing order counts as a separate order (or multiple new orders in the case of a complex order comprised of nine (9) option legs or more).

(2) Same Side and Same Series: An order that cancels and replaces any “child” order resulting from a “parent” order that is placed for the beneficial account(s) of a person or entity that is not a broker, or dealer in securities that is broken into multiple “child” orders on the same side (buy/sell) and series as the “parent” order by a broker or dealer, by an algorithm housed at a broker or dealer, or by an algorithm licensed from a broker or dealer, but which is housed with the customer, does not count as a new order.

(3) Both Sides and/or Multiple Series: An order that cancels and replaces any “child” order resulting from a “parent” order (including a strategy order) that generates “child” orders on both sides (buy/sell) of a series and/or in multiple series counts as a new order.

Rule 16.2. Applicability

(a) The Rules contained in Chapters 16 to 29 herein are the Exchange Rules applicable to the trading of options contracts issued by The Options Clearing Corporation through MX2 Options, the terms and conditions of such contracts, the exercise and settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to options trading on MX2 Options.

(b) Except to the extent that specific Rules relating to options trading govern or unless the context otherwise requires, the provisions of the Exchange Rules shall be applicable to Options Members and to the trading of option contracts on MX2 Options and, for purposes of their application with respect to Options Members and options trading shall be interpreted in light of the nature of options trading and the MX2 Options market, and the fact that options on MX2 Options shall be traded electronically through the Trading System. To the extent that the provisions of the Rules relating to options trading contained in Chapters 16 to 29 are inconsistent with any other provisions of the Exchange Rules, the Rules relating to options trading shall control.

(c) For marketing and other purposes, the Exchange’s options market facility may be referred to as the “MX2 Options Exchange” or “MX2 Options.”

CHAPTER 17. PARTICIPATION ON MX2 OPTIONS

Rule 17.1. Options Participation

(a) These Rules establish a new category of MX2 Exchange member participation called “Options Member.” Only Options Members and their Sponsored Participants may transact business on MX2 Options via the Trading System. Options Members may trade options for their own proprietary accounts or, if authorized to do so under applicable law, and consistent with these Rules and with applicable law and SEC rules and regulations, may conduct business on behalf of Customers.

(b) A prospective Options Member must:

(1) complete an Options Member Application in the form prescribed by the Exchange;

(2) provide such other information as required by the Exchange;

(3) be an existing member or become a Member of the Exchange, pursuant to Chapter 2 (Members of the Exchange), and continue to abide by the requirements of the Chapter 2 Exchange Rules with respect to participation in MX2 Options;

(4) enter into an Options Member Agreement in the form specified by the Exchange, agree to abide by the same as it has been or shall be from time to time amended, and pledge to abide by the Exchange Rules as amended from time to time, and by all circulars, notices, directives or decisions adopted pursuant to or made in accordance with the Exchange Rules; and

(5) be under the supervision and control of a Responsible Person who is registered with the Exchange as an Options Principal.

(c) Upon completion of the application, the Exchange, or person(s) designated by the Exchange (“designee”) shall consider whether to approve the application, unless there is just cause for delay. In its consideration process, the Exchange may conduct such investigation as it deems appropriate and may take such steps as it deems necessary to confirm the information provided by the applicant. Within thirty (30) days after the Exchange or its designee has completed its consideration of an application, it shall provide written notice of the action of the Exchange, specifying in the case of disapproval of an application the grounds therefore.

(d) These Rules place no limit on the number of qualifying entities that may become Options Members. However, based on system constraints or capacity restrictions, approval of qualifying applications for Options Members may, in limited circumstances, be temporarily deferred. To the extent that the Board places limitations on otherwise qualified applicants to act as Options Members, such limits shall be objectively determined and submitted to the Commission for approval pursuant to a rule change filing under Section 19(b) of the Exchange Act.

(e) Options Member status cannot be leased or transferred except in the event of a change in control or corporate reorganization involving an Options Member. In such a case,

Options Member status may be transferred to a qualified affiliate or successor upon written notice to the Exchange or its designee.

(f) Every Options Member shall file with the Exchange and keep current an address where notices may be served, including current addresses of each Responsible Person, as specified in paragraph (b)(5) of this Rule.

Rule 17.2. Requirements for Options Participation

(a) Options Members may be corporations, partnerships, limited liability companies or sole proprietorships organized under the laws of a jurisdiction of the United States, or such other jurisdictions as the Exchange may approve.

(b) Options Members must be Clearing Members or establish a clearing arrangement with a Clearing Member.

(c) Options Members must have demonstrated ability to adhere to all applicable Exchange, SEC, Clearing Corporation and Federal Reserve Board policies, rules and regulations related to the trading of options, including those concerning record-keeping, reporting, finance and trading procedures and be able to satisfactorily demonstrate reasonably adequate systems capability and capacity.

(d) All associated persons of Options Members who are not themselves Responsible Persons must be under the supervision of a U.S.-based Responsible Person who is registered with the Exchange as an Options Principal.

(e) Every Options Member shall have as the principal purpose of being an Options Member the conduct of a securities business. Such a purpose shall be deemed to exist if and so long as:

(1) the Options Member has qualified and acts in respect of its business on MX2 Options as either an OEF or an Options Market Maker, or both; and

(2) all transactions effected by the Options Member are in compliance with Section 11(a) of the Exchange Act and the rules and regulations adopted thereunder.

(f) Every Options Member shall at all times maintain membership in another registered options exchange that is not registered solely under Section 6(g) of the Securities Exchange Act of 1934, or in FINRA. Options Members that transact business with Public Customers shall at all times be members of FINRA.

(g) Options Principal.

(1) Every Options Member shall have at least one Options Principal who shall have satisfied the requirements of this subparagraph. Persons engaged in the management and supervision of the Options Member's business pertaining to options contracts shall be

designated as Options Principals and shall have responsibility for the overall oversight of the Options Member's options related activities on the Exchange.

(2) Each person required by subparagraph (g)(1) to be an Options Principal shall pass the appropriate Registered Options Principal Qualification Examination ("Series 4"), or an equivalent examination acceptable to the Exchange, for the purpose of demonstrating an adequate knowledge of options trading generally, the Rules of the Exchange applicable to trading of option contracts and the rules of registered clearing agencies for options, and be registered as such before engaging in the duties or accepting the responsibilities of an Options Principal.

(3) Each person required to register and qualify as an Options Principal must, prior to or concurrent with such registration, be or become qualified as a General Securities Representative.

(4) Options Principals must comply with Exchange Rule 2.5, Interpretation and Policy .02, which requires completion of certain continuing education requirements.

(5) A person registered solely as an Options Principal shall not be qualified to function in a principal capacity with responsibility over any area of business activity not prescribed in subparagraph (1).

(6) In connection with their registration, Options Principals shall electronically file a Uniform Application for Securities Industry Registration or Transfer ("Form U4") with the Central Registration Depository ("CRD") System, shall successfully complete an examination prescribed by the Exchange for the purpose of demonstrating an adequate knowledge of the options business, and shall further agree in the Form U4 filing to abide by the Rules of the Exchange and the Rules of the Clearing Corporation; provided, however, that Options Principals of Members that are members of another national securities exchange or association that has standards of approval acceptable to the Exchange may be deemed to be approved by and registered with the Exchange, so long as such Options Principals are approved by and registered with such other exchange or association.

(7) Termination of employment or affiliation of any Options Principal in such capacity shall be promptly reported to the CRD System together with a brief statement of the reason for such termination on Uniform Termination Notice for Securities Industry Registration ("Form U-5").

(8) Change in Options Principal

(A) Options Members having a single Options Principal are required promptly to notify the Exchange in the event such person is terminated, resigns, becomes incapacitated or is otherwise unable to perform the duties of an Options Principal.

(B) Following receipt of such notification, the Exchange will require an Options Member to agree, in writing, to refrain from engaging in any options-related activities that would necessitate the prior or subsequent approval of an Options Principal including, among other things, the opening of new options accounts or the execution of discretionary orders for option contracts until such time as a new Options Principal has been qualified.

(C) Options Members failing to qualify a new Options Principal within two weeks following the loss of their sole Options Principal, or by the earliest available date for administration of the Options Principal examination, whichever is longer, shall be required to cease doing an options business; provided, however, that an Options Member may effect closing transactions in options to reduce or eliminate existing open options positions in their own account as well as the accounts of their customers.

Rule 17.3. Persons Associated with Options Members

Persons associated with Options Members shall be bound by the Exchange Rules and the Rules of the Clearing Corporation. The Exchange may discipline, suspend or terminate the registration with the Exchange of any person associated with an Options Member for violation of the Rules of the Exchange or the Rules of the Clearing Corporation.

Rule 17.4. Good Standing for Options Members

(a) To remain in good standing, all Options Members must:

(1) continue to satisfy the qualification requirements specified by the Exchange, as amended from time to time by the Exchange;

(2) comply with the Exchange Rules; and

(3) pay on a timely basis such participation, transaction and other fees as the Exchange and/or MX2 Options shall prescribe.

(b) The good standing of an Options Member may be suspended, terminated or otherwise withdrawn, as provided in Chapter 7 (Suspension by Chief Regulatory Officer), if any of the conditions of Rules 17.2 or 17.3 are not met or the Options Member violates any of its agreements with the Exchange and/or MX2 Options or any of the provisions of the Exchange Rules.

(c) Unless an Options Member is in good standing, the Options Member shall have no rights or privileges of options participation except as otherwise provided by law or Rules, shall not hold himself or itself out for any purpose as an Options Member, and shall not deal with the Exchange and/or MX2 Options on any basis except as a non-Member.

CHAPTER 18. BUSINESS CONDUCT

The rules contained in MEMX Chapter 18, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter 18 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 18 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 19. SECURITIES TRADED ON MX2 OPTIONS

The rules contained in MEMX Chapter 19, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter 19 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 19 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 20. REGULATION OF TRADING ON MX2 OPTIONS

Rule 20.1. Access to and Conduct on the MX2 Options Market

(a) Access to MX2 Options.

Unless otherwise provided in the Rules, no one but an Options Member or a person associated with an Options Member shall effect any MX2 Options Transactions.

(b) MX2 Options Conduct.

Options Members and persons employed by or associated with any Options Member, while using the facilities of MX2 Options, shall not engage in conduct: (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business. Activities that shall violate the provisions of this paragraph (b) include, but are not limited to, the following:

(1) failure of an Options Market Maker to provide quotations in accordance with Rule 22.6 (Market Maker Quotations);

(2) failure of an Options Market Maker to bid or offer within the ranges specified by Rule 22.5 (Obligations of Market Makers);

(3) failure of an Options Member to supervise a person employed by or associated with such Member adequately to ensure that person’s compliance with this paragraph (b);

(4) failure to maintain adequate procedures and controls that permit the Options Member to effectively monitor and supervise the entry of orders by users to prevent the prohibited practices set forth in this paragraph (b) and Rule 18.2 (Conduct and Compliance with the Rules);

(5) failure to abide by a determination of the Exchange;

(6) effecting transactions that are manipulative as provided in Rule 12.1 (Market Manipulation) or any other rule of the Exchange;

(7) refusal to provide information requested by the Exchange; and

(8) failure to abide by the provisions of Rule 22.11.

(c) Subject to the Rules, the Exchange will provide access to the Trading System to Options Members in good standing that wish to conduct business on MX2 Options.

(d) Pursuant to the Rules and the arrangements referred to in this Chapter 20, the Exchange may:

(1) suspend a User's access to the Trading System following a warning which may be made in writing or verbally (and subsequently confirmed in writing); or

(2) terminate a User's access to the Trading System by notice in writing.

Rule 20.2. Surveillance

Personnel from the Exchange shall monitor and surveil options trading on MX2 Options in order to ensure the maintenance of a fair and orderly market.

Rule 20.3. Trading Halts

(a) Halts.

The Exchange may halt trading in any option contract in the interests of a fair and orderly market. The following are among the factors that shall be considered in determining whether the trading in an option contract should be halted:

(1) trading in the underlying security has been halted or suspended in the primary market;

(2) the opening of such underlying security has been delayed because of unusual circumstances;

(3) occurrence of an act of God or other event outside the Exchange's control;

(4) a Trading System technical failure or failures including, but not limited to, the failure of a part of the central processing system, a number of Options Member trading applications, or the electrical power supply to the system itself or any related system; or

(5) other unusual conditions or circumstances are present.

(b) In the event the Exchange determines to halt trading, all trading in the effected class or classes of options shall be halted and all orders will be cancelled unless a User has entered instructions not to cancel its orders. MX2 Options shall disseminate through its trading facilities and over OPRA a symbol with respect to such class or classes of options indicating that trading has been halted. A record of the time and duration of the halt shall be made available to vendors.

(c) No Options Member or person associated with an Options Member shall effect a trade on MX2 Options in any options class in which trading has been halted under the provisions of this Rule during the time in which the halt remains in effect.

Interpretations and Policies

.01 The Exchange shall nullify any transaction that occurs:

(a) during a trading halt in the affected option on the Exchange; or

(b) with respect to equity options (including options overlying ETFs), during a regulatory halt as declared by the primary listing market for the underlying security.

Rule 20.4. Resumption of Trading After a Halt

Trading in an option that has been the subject of a halt under Rule 20.3 (Trading Halts) shall be resumed as described in Rule 21.7 upon the determination by the Exchange that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading.

Rule 20.5. Unusual Market Conditions

(a) MX2 Options staff may determine that the level of trading activities or the existence of unusual market conditions is such that MX2 Options is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on MX2 Options. Upon making such a determination, the Exchange shall designate the market in such option to be “fast,” and the Exchange shall halt trading in the class or classes so affected.

(b) The Exchange will monitor the activity or conditions that caused a fast market to be declared, and shall review the condition of such market at least every thirty (30) minutes.

Regular trading procedures shall be resumed when the Exchange determines that the conditions supporting a fast market declaration no longer exist.

(c) The Exchange shall halt trading in all options whenever a market wide trading halt is initiated on the New York Stock Exchange (commonly known as a “circuit breaker”) in response to extraordinary market conditions.

Rule 20.6. 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. 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. A 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. Eastern Time on the first trading day following the execution. It is considered conduct inconsistent with just and equitable principles of trade for any Options Member 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 or Professional.

(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 .03 of this Rule when determining Theoretical Price.

(1) *Transactions at the Open.* To the extent any transactions occur through the opening process as described in Rule 21.7, 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 sub-paragraph (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.

(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.*

(A) 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>

(B) Customer Transactions Occurring Within 10 Seconds or Less After an Opening or Re-Opening:

(i) 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 Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in paragraph (A) above and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction.

(ii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction, then 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 Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in paragraph (A) above and there was a bid/ask differential less than the Minimum Amount anytime during the 10 seconds after an opening or re-opening.

(iii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds following an Opening or Re-Opening, then the Theoretical Price of an option series is the last NBB or NBO just prior to the Customer transaction in question, as set forth in paragraph (b) above.

(iv) Customer transactions occurring more than 10 seconds after an opening or re-opening are subject to paragraph (A) above.

(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>
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<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 Options Members. 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 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 8:30 a.m. Eastern Time on the next trading day following the date

of the transaction in question. A party affected by a determination to nullify or adjust a transaction pursuant to this provision may appeal such determination in accordance with paragraph (l) 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.

<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 execution price of the transaction will be adjusted by the Official pursuant to the table immediately above. Any Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above. However, if such adjustment(s) would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price, the trade will be nullified, subject to sub-paragraph (C) below.

(C) If any Options Member submits requests to the Exchange for review of transactions pursuant to this rule, and in aggregate that Options Member 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:

<u>Theoretical Price</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 Options Members. Such notification must be received by the Exchange's Trade Desk by 8:30 a.m. Eastern Time on the first trading day following the execution. 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.

(3) *Adjust or Bust.* 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 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.

<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 20.3.

(g) *Erroneous Print in Underlying.* A 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 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 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 Fund Share(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 Options Members via an Exchange Notice. To qualify for consideration as an "underlying," the Fund Shares, HOLDRS or index option class and related instrument must be derived from or designed to track the same underlying 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) 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 sub-paragraph (c)(2) above. For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related Fund Share(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 Options Members via an Exchange Notice. To qualify for consideration as an "underlying," the Fund Shares, HOLDRS or index option class and related instrument must be derived from or designed to track the same underlying 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 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 Plan (as defined in Rule 27.1(a)(18)) 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) *Verifiable Disruptions or Malfunctions of Exchange Systems.*

(1) Transactions arising out of a "verifiable disruption or malfunction" in the use or operation of any Exchange automated quotation, dissemination, execution, or

communication system may 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.

(2) Absent extraordinary circumstances, any such action of an Official pursuant to this paragraph (k) shall be initiated within sixty (60) minutes of the occurrence of the erroneous transaction that resulted from a verifiable disruption or malfunction. Each Options Member involved in the transaction shall be notified as soon as practicable.

(3) Any Options Member aggrieved by the action of an Official taken pursuant to paragraph (k)(1) above, may appeal such action in accordance with the provision of paragraph (l) below.

(l) Appeals.

If an Options Member affected by a determination made under this Rule so requests within the time permitted below, the Obvious Error Panel ("Obvious Error Panel") will review decisions made by the MX2 Official under this Rule, including whether an obvious error occurred and whether the correct determination was made.

(1) The Obvious Error Panel will be comprised of the Exchange's Chief Regulatory Officer ("CRO") or a designee of the CRO, a representative of one (1) Options Member engaged in market making (any such representative, a "MM Representative") and representatives from two (2) Options Members satisfying one or both of the criteria set forth as (A) and (B) below (any such representative, a "Non-MM Representative"). To qualify as a representative of an Options Member other than an Options Member engaged in market making, a person must:

(A) be employed by an Options Member whose revenues from options market making activity do not exceed ten percent (10%) of its total revenues; or

(B) have as his or her primary responsibility the handling of Public Customer orders or supervisory responsibility over persons with such responsibility, and not have any responsibilities with respect to market making activities.

(2) The Exchange shall designate at least ten (10) MM Representatives and at least ten (10) Non-MM Representatives to be called upon to serve on the Obvious Error Panel as needed. In no case shall an Obvious Error Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on an Obvious Error Panel on an equally frequent basis.

(3) A request for review on appeal must be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to

Options Members within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The Obvious Error Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received after 3:00 p.m. Eastern Time, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(4) The Obvious Error Panel may overturn or modify an action taken by the MX2 Official under this Rule. All determinations by the Obvious Error Panel shall constitute final action by the Exchange on the matter at issue.

(5) If the Obvious Error Panel votes to uphold the decision made pursuant to paragraph (1)(1) above, the Exchange will assess a \$500.00 fee against the Options Member(s) who initiated the request for appeal. In addition, in instances where the Exchange, on behalf of an Options Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Options Member.

(6) Any determination by an Officer or by the Obvious Error Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

Interpretations and Policies

.01 Limit Up-Limit Down State. 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 (k) 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 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 .03. 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.

Rule 20.7. Audit Trail

(a) Order Identification

When entering orders on MX2 Options, each Options Member shall submit order information in such form as may be prescribed by the Exchange in order to allow MX2 Options to properly prioritize and match orders and report resulting transactions to the Clearing Corporation.

(b) An Options Member must ensure that each options order received from a Customer for execution on MX2 Options is recorded and time-stamped immediately. The order record must be time-stamped again on execution and also at the time of any modification or cancellation of the order by the Customer. Order records relating to MX2 Options must contain the following information at a minimum:

- (1) a unique order identification;
- (2) the underlying security;
- (3) opening/closing designation;

- (4) the identity of the Clearing Member;
- (5) Options Member identification;
- (6) User Capacity;
- (7) identity of the individual/terminal completing the order ticket;
- (8) customer identification;
- (9) account identification;
- (10) buy/sell;
- (11) contract volume;
- (12) contract month;
- (13) exercise price;
- (14) put/call;
- (15) price or price limit, price range or strategy price;
- (16) special instructions; and
- (17) such other information as may be required by MX2 Options.

(c) An Options Member that employs an electronic system for order routing or order management which complies with MX2 Options requirements will be deemed to be complying with the requirements of this Rule if the required information is recorded in electronic form rather than in written form.

(d) In addition to any related requirement under applicable securities laws, information recorded pursuant to this Rule must be retained by Options Members for a period of no less than three (3) years after the date of the transaction.

Rule 20.8. Failure to Pay Premium

(a) When the Clearing Corporation shall reject a MX2 Options Transaction because of the failure of the Clearing Member acting on behalf of the purchaser to pay the aggregate premiums due thereon as required by the Rules of the Clearing Corporation, the Options Member acting as or on behalf of the writer shall have the right either to cancel the transaction by giving notice thereof to the Clearing Member or to enter into a closing writing transaction in respect of the same options contract that was the subject of the rejected MX2 Options Transaction for the account of the defaulting Clearing Member.

(b) Such action shall be taken as soon as possible, and in any event not later than 10:00 A.M. Eastern Time on the business day following the day the MX2 Options Transaction was rejected by the Clearing Corporation.

Rule 20.9. Prohibition on Transactions Off the Exchange

(a) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit or condition, or otherwise limit, directly or indirectly, the ability of any Options Member acting as agent to effect any transaction otherwise than on the Exchange with another person (except when such Options Member also is acting as agent for such other person in such transaction) in any equity security listed on the Exchange or to which unlisted trading privileges on the Exchange have been extended.

(b) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit, condition, or otherwise limit, directly or indirectly, the ability of any Options Member to effect any transaction otherwise than on the Exchange in any reported security listed and registered on the Exchange or as to which unlisted trading privileges on the Exchange have been extended (other than a put option or call option issued by the Clearing Corporation) which is not a covered security.

Rule 20.10. Transfers of Positions

(a) Permissible Transfers. Notwithstanding the prohibition set forth in Rule 20.9, existing positions in options listed on the Exchange of an Options Member or of a non-Member that are to be transferred on, from, or to the books of a Clearing Member may be transferred off the Exchange if the transfer involves one or more of the following events:

(1) an adjustment or transfer in connection with the correction of a bona fide error in the recording of a transaction or the transferring of a position to another account, provided that the original trade documentation confirms the error;

(2) the transfer of positions from one account to another account where no change in ownership is involved (i.e., accounts of the same person (as defined in Rule 1.5)), provided the accounts are not in separate aggregation units or otherwise subject to information barrier or account segregation requirements;

(3) the consolidation of accounts where no change in ownership is involved;

(4) a merger, acquisition, consolidation, or similar non-recurring transaction for a person;

(5) the dissolution of a joint account in which the remaining Options Member assumes the positions of the joint account;

(6) the dissolution of a corporation or partnership in which a former nominee of the corporation or partnership assumes the positions;

(7) positions transferred as part of an Options Member's capital contribution to a new joint account, partnership, or corporation;

(8) the donation of positions to a not-for-profit corporation;

(9) the transfer of positions to a minor under the Uniform Gifts to Minors Act;

or

the transfer of positions through operation of law from death, bankruptcy, or otherwise.

(b) Netting. Unless otherwise permitted by paragraph (f), when effecting a transfer pursuant to paragraph (a), no position may net against another position ("netting"), and no position transfer may result in preferential margin or haircut treatment.

(c) Transfer Price. The transfer price, to the extent it is consistent with applicable laws, rules, and regulations, including rules of other self-regulatory organizations, and tax and accounting rules and regulations, at which a transfer is effected may be:

(1) the original trade prices of the positions that appear on the books of the transferring Clearing Member, in which case the records of the transfer must indicate the original trade dates for the positions; provided, transfers to correct errors under subparagraph (a)(1) must be transferred at the correct original trade prices;

(2) mark-to-market prices of the positions at the close of trading on the transfer date;

(3) mark-to-market prices of the positions at the close of trading on the trade date prior to the transfer date; or

(4) the then-current market price of the positions at the time the transfer is effected.

(d) Prior Written Notice. An Options Member(s) and its Clearing Member(s) (to the extent that the Options Member is not self-clearing) must submit to the Exchange, in a manner determined by the Exchange, written notice prior to effecting a transfer from or to the account(s) of an Options Member(s), except that notification is not required for transfers effected pursuant to subparagraph (a)(1) or (a)(2) of this Rule.

(1) The notice must indicate (A) the Exchange-listed options positions to be transferred, (B) the nature of the transaction, (C) the enumerated provision(s) under paragraph (a) pursuant to which the positions are being transferred, (D) the name of the counterparty(ies), (E) the anticipated transfer date, (F) the method for determining the

transfer price under paragraph (c) above, and (G) any other information requested by the Exchange.

(2) Receipt of notice of a transfer does not constitute a determination by the Exchange that the transfer was effected or reported in conformity with the requirements of this Rule. Notwithstanding submission of written notice to Exchange, Options Members and Clearing Members that effect transfers that do not conform to the requirements of this Rule will be subject to appropriate disciplinary action in accordance with the Rules.

(e) Records. Each Options Member and each Clearing Member that is a party to a transfer must make and retain records of the information provided in the notice to the Exchange pursuant to subparagraph (d)(1), as well as information on (1) the actual Exchange-listed options transferred; (2) the actual transfer date; and (3) the actual transfer price (and the original trade dates, if applicable). The Exchange may also request the Options Member or Clearing Member to provide other information.

(f) Presidential Exemptions. In addition to the exemptions set forth in paragraph (a) of this Rule, the Exchange President (or senior-level designee) may grant an exemption from the requirement of Rule 20.9, on his or her own motion or upon application of the Options Member (with respect to the Options Member's positions) or a Clearing Member (with respect to positions carried and cleared by the Clearing Member), when, in the judgment of the President or his or her designee, allowing the transfer is necessary or appropriate for the maintenance of a fair and orderly market and the protection of investors and is in the public interest, including due to unusual or extraordinary circumstances, such as the possibility that the market value of the person's positions will be compromised by having to comply with the requirement to trade on the Exchange pursuant to the normal auction process or when, in the judgment of the president or his or her designee, market conditions make trading on the Exchange impractical.

(g) Routine, Recurring Transfers. The transfer procedure set forth in this Rule is intended to facilitate non-routine, non-recurring movements of positions and is not to be used repeatedly or routinely, except for transfers between accounts of the same person pursuant to subparagraph (a)(2). The transfer procedure may not be used in circumvention of the normal auction process.

(h) Exchange-Listed Options. The transfer procedure set forth in this Rule is only applicable to positions in options listed on the Exchange. Transfers of positions in Exchange-listed options may also be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

Rule 20.11. Off-Exchange RWA Transfers

Notwithstanding Rule 20.9, existing positions in options listed on the Exchange of an Options Member or non-Member (including an affiliate of an Options Member) may be transferred on, from, or to the books of a Clearing Member off the Exchange if the transfer establishes a net

reduction of risk-weighted assets attributable to those the Options Member or non-Member's options positions (an "RWA Transfer").

(a) RWA Transfers include, but are not limited to: (1) a transfer of options positions from Clearing Corporation member A to Clearing Corporation member B that net (offset) with positions held at Clearing Corporation member B, and thus closes all or part of those positions, and (2) a transfer of positions from a bank-affiliated Clearing Corporation member to a non-bank-affiliated Clearing Corporation member.

(b) RWA Transfers may occur on a routine, recurring basis.

(c) RWA Transfers may result in the netting of positions.

(d) No RWA Transfer may result in preferential margin or haircut treatment.

(e) No RWA Transfer may result in a change in ownership (i.e., an RWA transfer must occur between accounts of the same person (as defined in Rule 1.5)).

(f) No prior written notice to the Exchange is required for RWA Transfers.

(g) Off-Exchange transfers of positions in Exchange-listed options may be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

Rule 20.12. In-Kind Exchange of Options Positions and Fund Shares and UIT Interests

Notwithstanding Rule 20.9, positions in options listed on the Exchange may be transferred off the Exchange by an Options Member in connection with transactions (a) to purchase or redeem creation units of Fund Shares between an authorized participant and the issuer of such Fund Shares or (b) to create or redeem units of a unit investment trust ("UIT") between a broker-dealer and the issuer of such UIT units, which transfers would occur at the price(s) used to calculate the net asset value of such Fund Shares or UIT units, respectively. For purposes of this Rule:

(a) an "authorized participant" is an entity that has a written agreement with the issuer of Fund Shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (i.e., specified numbers of Fund Shares);

(b) an "issuer of Fund Shares" is an entity registered with the Commission as an open-end management investment company under the Investment Company Act of 1940; and

(c) an "issuer of UIT units" is a trust registered with the Commission as a unit investment trust under the Investment Company Act of 1940.

CHAPTER 21. TRADING SYSTEMS

Rule 21.1. Definitions

The following definitions apply to Chapter 21 for the trading of options listed on MX2 Options.

(a) The term “System” shall mean the automated system for order execution and trade reporting owned and operated by the Exchange. The System comprises:

(1) an order execution service that enables Users to automatically execute transactions in System Securities; and provides Users with sufficient monitoring and updating capability to participate in an automated execution environment;

(2) a trade reporting service that submits “locked-in” trades for clearing to a registered clearing agency for clearance and settlement; transmits last-sale reports of transactions automatically to the Options Price Reporting Authority for dissemination to the public and industry, and provides participants with monitoring and risk management capabilities to facilitate participation in a “locked-in” trading environment; and

(3) a data feed(s) that can be used to display without attribution to Users’ orders on both the bid and offer side of the market for price levels then within MX2 Options using the minimum price variation applicable to that security.

(b) The term “System Securities” shall mean all options that are currently trading on MX2 Options pursuant to Chapter 19 above.

(c) The term “Order” shall mean a single order (including a bulk message) submitted to the System by a User designated for display (price and size) on an anonymous basis by the Exchange.

(d) The term “Order Type” shall mean the unique processing prescribed for designated orders, subject to the restrictions set forth in paragraph (l) below with respect to bulk messages, that are eligible for entry into the System. An Order Type applied to a bulk message applies to each bid and offer within that bulk message. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following Order Types are available on a class or system basis.

(1) “Limit Orders” are orders (including bulk messages) to buy or sell an option at a specified price or better. A Limit Order is marketable when, for a Limit Order to buy, at the time it is entered into the System, the order is priced at the current inside offer or higher, or for a Limit Order to sell, at the time it is entered into the System, the order is priced at the current inside bid or lower.

(2) “Market Orders” are orders to buy or sell at the best price available at the time of execution. Market Orders to buy or sell an option traded on MX2 Options will be rejected if they are received when the underlying security is subject to 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 (the “Limit Up-Limit Down Plan”). Bulk messages may not be Market Orders.

(e) The term “Handling Instruction” shall mean an additional instruction a User designates on an order, subject to the restrictions set forth in paragraph (l) below with respect to bulk messages. A Handling Instruction applied to a bulk message applies to each bid and offer within that bulk message. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following Handling Instructions are available on a class or system basis.

(1) “Book Only” is an instruction that an order is to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange. Users may designate bulk messages as Book Only as set forth in paragraph (l) below.

(2) “Post Only” is an instruction that an order is to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will not remove liquidity from the MX2 Options Book. The System cancels or rejects a bid (offer) designated as Post Only with a price that locks or crosses the Exchange's best offer (bid). A Market Order cannot be designated as Post Only. Users may designate bulk messages as Post Only as set forth in paragraph (l) below.

(3) “Intermarket Sweep Orders” or “ISO” are orders that shall have the meaning provided in Rule 27.1 (Definitions). Such orders may be executed at one or multiple price levels in the System without regard to Protected Quotations at other options exchanges (i.e., may trade through such quotations). The Exchange relies on the marking of an order as an ISO order when handling such order, and thus, it is the entering Options Member's responsibility, not the Exchange's responsibility, to comply with the requirements relating to ISOs. ISOs are not eligible for routing pursuant to Rule 21.9 (Order Routing). A Market Order cannot be designated as an Intermarket Sweep Order. Users may not designate bulk messages as ISOs.

(4) “Reserve Orders” are limit orders that have both a portion of the quantity displayed (“Display Quantity”) and a reserve portion of the quantity (“Reserve Quantity”) not displayed. Both the Display Quantity and Reserve Quantity of the Reserve Order are available for potential execution against incoming orders. If the Display Quantity of a Reserve Order is fully executed, the System will, in accordance with the User's instruction, replenish the Display Quantity from the Reserve Quantity using one of the below replenishment instructions. Under either instruction below, any order with a Reserve Quantity will be handled as a new order by the System and a new order identification number will be created each time a displayed quantity is replenished. The Exchange will obfuscate the unique order identification number on its data feeds for replenishment of an order with Reserve Quantity. If the remainder of an order is less than the replenishment amount, the Exchange will display the entire remainder of the order. A User must instruct the Exchange as to the quantity of the order to be initially displayed by

the System ("Max Floor") when entering an order with a Reserve Quantity, which is also used to determine the replenishment amount, as set forth below. Users may not designate bulk messages as Reserve Orders.

(A) Random Replenishment. An instruction that a User may attach to Reserve Quantity of an order where replenishment quantities for the order are randomly determined by the System in Round Lot increments only within a replenishment range established by the User. In particular, the User entering an order into the System subject to the Random Replenishment instruction must select a replenishment value and Max Floor. The actual quantity that will be initially displayed will be the Max Floor. The displayed replenishment quantities will then be determined by the System by randomly selecting a number of shares within a replenishment range that is between: (i) the Max Floor minus the replenishment value; and (ii) the Max Floor plus the replenishment value. A User entering an order into the System subject to the Random Replenishment instruction must either select immediate replenishment or to have the time interval of such replenishment randomly set by the Exchange. If a User has selected a random time interval, the System will randomly replenish the User's displayed replenishment quantity at different time intervals ranging up to one (1) millisecond following each execution that triggers replenishment. The nondisplayed portion of an order subject to Random Replenishment will remain fully executable prior to the replenishment of a User's displayed quantity.

(B) Fixed Replenishment. For an order for which the Random Replenishment instruction has not been selected, the System will replenish the Display Quantity of the order to the Max Floor designated by the User.

(f) The term "Order Size" shall mean the number of contracts up to 999,999 associated with the Order.

(g) The term "Time in Force" shall mean the period of time that the System will hold an order, subject to the restrictions set forth in paragraph (l) below with respect to bulk messages, for potential execution. A Time-in-Force applied to a bulk message applies to each bid and offer within that bulk message. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following Times-in-Force are available on a class or system basis.

(1) "Immediate Or Cancel" or "IOC" shall mean, for an order so designated, an order that is to be executed in whole or in part as soon as such order is received. The portion not so executed immediately on the Exchange or another options exchange is cancelled and is not posted to the MX2 Options Book. IOC orders that are not designated as Book Only and that cannot be executed in accordance with Rule 21.8 on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 21.9. Users may designate bulk messages as IOC.

(2) “Day” shall mean, for an order so designated, an order to buy or sell which, if not executed expires at market close. Users may designate bulk messages as Day.

(h) The term “Match Trade Prevention (“MTP”) modifier” shall mean a modifier appended to an order that restricts interactions with contra-side orders as set forth below. Any incoming order designated with an MTP modifier will be prevented from executing against a resting opposite side order also designated with an MTP modifier and originating from the same executing firm ID (“EFID”), Exchange Member identifier, trading group identifier, or Exchange Sponsored Participant identifier (any such identifier, a “Unique Identifier”). The MTP modifier on the incoming order controls the interaction between two orders marked with MTP modifiers. Subject to the restrictions set forth in paragraph (l) below with respect to bulk messages, orders may contain the following MTP modifiers:

(1) MTP Cancel Newest (“MCN”). An incoming order marked with the “MCN” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The incoming order marked with the MCN modifier will be cancelled back to the originating User(s). The resting order marked with an MTP modifier will remain on the MX2 Options Book. Users may designate bulk messages as MCN, as set forth in paragraph (l) below.

(2) MTP Cancel Oldest (“MCO”). An incoming order marked with the “MCO” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The resting order marked with the MTP modifier will be cancelled back to the originating User(s). The incoming order marked with the MCO modifier will remain on the MX2 Options Book. Users may designate bulk messages as MCO, as set forth in paragraph (l) below.

(3) MTP Cancel Both (“MCB”). An incoming order marked with the “MCB” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The entire size of both orders will be cancelled back to the originating User(s). Users may designate bulk messages as MCB, as set forth in paragraph (l) below.

(i) The term “Price Adjust” shall mean the re-pricing mechanism through which the System re-prices orders to comply with the order protection and trade through restrictions of the Options Order Protection and Locked/Crossed Market Plan, as further described below.

(1) An order that, at the time of entry, would lock or cross a Protected Quotation of another options exchange or the Exchange will be ranked and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) (“Price Adjust”).

(2) In the event the NBBO changes such that an order subject to Price Adjust would not lock or cross a Protected Quotation, the order will receive a new timestamp, and will be displayed at the price that originally locked the NBO (for bids) or NBB (for

offers) on entry. All orders that are re-ranked and re-displayed pursuant to Price Adjust will retain their priority as compared to other orders subject to Price Adjust based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to Price Adjust, an order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price.

(3) The ranked and displayed price of an order subject to Price Adjust may be adjusted once or multiple times depending upon the instructions of a User and changes to the prevailing NBBO.

(j) The term “EFIDs” means Executing Firm IDs and shall refer to what the System uses to identify the User and the clearing number for the execution of orders and quotes submitted to the System with that EFID. A User may obtain one or more EFIDs from the Exchange (in a form and manner determined by the Exchange). The Exchange assigns an EFID to its Users.

(1) Each EFID corresponds to a single User and a single clearing number of a Clearing Member with the Clearing Corporation.

(2) A User may obtain multiple EFIDs, which may be for the same or different clearing numbers.

(3) A User is able (in a form and manner determined by the Exchange) to designate which of its EFIDs may be used for each of its ports. If a User submits an order or quote through a port with an EFID not enabled for that port, the System cancels or rejects the order or quote.

(k) The term “port” includes the following types of ports:

(1) A “physical port” provides a physical connection to the System. A physical port may provide access to multiple logical ports.

(2) A “logical port” or “application session” provides Users with the ability within the System to accomplish a specific function through a connection, such as order entry, data receipt, or access to information.

(l) The term “bulk message” shall mean a bid or offer included in a single electronic message a User submits with a Market Maker Capacity to the Exchange in which the User may enter, modify, or cancel up to an Exchange-specified number of bids and offers (which number the Exchange announces via Exchange notice or publicly available technical specifications). The System handles a bulk message in the same manner as it handles an order or quote, unless the Rules specify otherwise. Users may submit bulk messages through a logical port, subject to the following:

(1) bulk messages must contain a Time-in-Force of Day or IOC;

(2) a Market Maker with an appointment in a class must designate a bulk message for that class as Post Only or Book Only, and a non-appointed Market Maker must designate a bulk message for that class as Post Only;

(3) the System cancels or rejects a Post Only bulk message bid (offer) with a price that locks or crosses the Exchange best offer (bid) or ABO (ABB);

(4) the System executes a Book Only bulk message bid (offer) that locks or crosses the ABO (ABB) against offers (bids) resting in the Book at prices the same as or better than the ABO (ABB) and then cancels the unexecuted portion of that bid (offer).

(m) The term “Cancel Back” shall mean an instruction a User designates on an order (including bulk messages) to not be subject to the Price Adjust process pursuant to paragraph (i) above. The System cancels or rejects an order with a Cancel Back instruction (immediately at the time the System receives the order or upon return to the System after being routed away) if displaying the order on the Book would create a violation of Rule 27.3, or if the order cannot otherwise be executed or displayed in the Book at its limit price. The System executes a Book Only – Cancel Back order against resting orders.

Rule 21.2. Days and Hours of Business

(a) The Exchange will begin accepting orders after 9:30 a.m. Eastern Time, as described in Rule 21.7. Orders and bids and offers shall be open and available until 4:00 p.m. Eastern Time except for option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j), which may close as of 4:15 p.m. Eastern Time.

(b) Except as set forth in paragraph (a) above or in unusual conditions as may be determined by the Exchange, hours during which transactions in options on individual stocks may be made on MX2 Options shall correspond to the normal business days and hours for business set forth in the rules of the primary market trading the securities underlying options traded on MX2 Options.

(c) MX2 Options shall not be open for business on any holiday observed by the Exchange.

Rule 21.3. Units of Trading

The unit of trading in each series of options traded on MX2 Options shall be the unit of trading established for that series by the Clearing Corporation pursuant to the Rules of the Clearing Corporation and the agreements of the Exchange with the Clearing Corporation.

Rule 21.4. Meaning of Premium Quotes and Orders

(a) General.

Except as provided in paragraph (b), orders shall be expressed in terms of dollars per unit of the underlying security. For example, a bid of “5” shall represent a bid of \$500 for an options contract having a unit of trading consisting of 100 shares of an underlying security, or a bid of \$550 for an options contract having a unit of trading consisting of 110 shares of an underlying security.

(1) *Mini Options.* Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of “.50” shall represent an offer of \$5.00 on an option contract having a unit of trading consisting of 10 shares.

(b) *Special Cases.*

Orders for an options contract for which MX2 Options has established an adjusted unit of trading in accordance with Rule 21.3 (Units of Trading) shall be expressed in terms of dollars per 1/100 part of the total securities and/or other property constituting such adjusted unit of trading. For example, an offer of “3” shall represent an offer of \$300 for an options contract having a unit of trading consisting of 100 shares of an underlying security plus ten (10) rights.

Rule 21.5. Minimum Increments

(a) The following principles apply to the minimum quoting increments for options contracts traded on MX2 Options: (1) if the options series is trading at less than \$3.00, five (5) cents; (2) if the options series is trading at \$3.00 or higher, ten (10) cents; and (3) if the options series is trading pursuant to the Penny Interval Program one (1) cent if the options series is trading at less than \$3.00, five (5) cents if the options series is trading at \$3.00 or higher, unless for QQQ, SPY, or IWM where the minimum quoting increment will be one cent for all series regardless of price.

(b) The minimum trading increment for options contracts traded on MX2 Options will be one (1) cent for all series.

(c) *Mini Options.* Notwithstanding any other provision of this Rule, the minimum trading increment for Mini Options shall be determined in accordance with Interpretations and Policies .07 to Rule 19.5.

(d) Requirements for Penny Interval Program. The Exchange will list option classes for the Penny Interval Program (“Penny Program”) with minimum quoting requirements (“penny increments”) of one cent (\$0.01) and five cents (\$0.05), as set forth in paragraph (a) above. The list of the option classes included in the Penny Program will be announced by the Exchange via a circular distributed to Options Members and published by the Exchange on its website.

(1) *Initial Selection.* The Penny Program will apply only to the 363 most actively traded multiply listed option classes, based on OCC’s National Cleared Volume, that (i) currently quote in penny increments, or (ii) overlie securities priced below \$200,

or any index at an index level below \$200. Eligibility for inclusion in the Penny Program will be limited to those classes already operating under penny programs of other options exchanges at the time MX2 Options is launched.

(2) *Annual Review.* In December of each year, OCC will rank all multiply listed option classes based on National Cleared Volume for the six full calendar months from June 1 through November 30 for determination of the most actively traded option classes.

(A) *Addition to the Penny Program.* Based on the Annual Review, any option class not in the Penny Program that is among the 300 most actively traded multiply listed option classes overlying securities priced below \$200, or an index at an index level below \$200, will be added to the Penny Program on the first trading day of January.

(B) *Removal from the Penny Program.* Except as provided in subparagraphs (d)(3) – (6) below, based on the Annual Review, any option class in the Penny Program that falls outside the 425 most actively traded multiply listed option classes will be removed from the Penny Program on the first trading day of April.

(3) *Newly listed Option Classes.* The Exchange may add to the Penny Program a newly listed option class provided that (i) it is among the 300 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in its first full calendar month of trading and (ii) the underlying security is priced below \$200 or the underlying index is at an index level below \$200. Any option class added under this provision will be added on the first trading day of the month after it qualifies and will remain in the Penny Program for one full calendar year, after which it will be subject to the Annual Review stated in subparagraph (d)(2) above.

(4) *Classes with Significant Growth in Activity.* The Exchange may add any option class to the Penny Program, provided that (i) it is among the 75 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in the past six full calendar months of trading and (ii) the underlying security is priced below \$200 or the underlying index is at an index level below \$200. Any option class added under this provision will be added on the first trading day of the second full month after it qualifies and will remain in the Penny Program for the rest of the calendar year, after which it will be subject to the Annual Review stated in subparagraph (d)(2) above.

(5) *Corporate Actions.* If a corporate action involves one or more option classes in the Penny Program, all adjusted and unadjusted series of the option class will be included in the Penny Program. Any new option class added to the Penny Program under this provision will remain in the Penny Program for at least one full calendar year, after which it will be subject to the Annual Review stated in subparagraph (d)(2) above.

(6) *Delisted or Ineligible Option Classes.* Any series in an option class participating in the Penny Program in which the underlying security has been delisted, or are identified by OCC as ineligible for opening customer transactions, will continue to quote pursuant to the terms of the Penny Program until all such options have expired.

Rule 21.6. Entry of Orders

Users can enter orders into the System, subject to the following requirements and conditions:

(a) Users shall be permitted to transmit to the System multiple orders at a single as well as multiple price levels. However, a User may enter only one bid and one offer for a series per EFID using bulk messages. Each order will indicate the Reserve Quantity (if applicable).

(b) The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

(c) Orders can be entered into the System (or previously entered orders cancelled) after 9:30 a.m. Eastern Time, subject to Rule 21.7, until market close. Orders received prior to the opening of the System will be cancelled.

(d) For each System Security, the aggregate size of all orders at the best price to buy and sell resident in the System and eligible for display will be transmitted for display to the appropriate network processor.

(e) Subject to the exceptions contained in paragraph (b) of Rule 27.2 (Order Protection), an order will not be executed at a price that trades through another options exchange. An order that is designated by an Options Member as routable will be routed in compliance with applicable Trade-Through restrictions.

(f) Any order entered with a price that would lock or cross a Protected Quotation of another options exchange that is not eligible for either routing or the Price Adjust Process as defined in paragraph (i) of Rule 21.1 will be cancelled.

Rule 21.7. Market Opening Procedures

(a) The System shall open options, other than index options, for trading after the System's observation after 9:30 a.m. Eastern Time of both: (i) the first transaction on the primary listing market in the security underlying the option, and (ii) the Limit Up-Limit Down price bands applicable to the security underlying the option as disseminated by the applicable Securities Information Processor ("SIP"). With respect to index options, the System shall open for trading after a time period (which the Exchange determines for all classes) following the System's observation after 9:30 a.m. Eastern Time of the first disseminated index value for the index underlying an index option.

(b) In the event the underlying security has not opened within a reasonable time after 9:30 a.m. Eastern Time, the Exchange shall determine the cause of the delay. The beginning of

trading of options contracts in such class shall be delayed until the market for the underlying security has opened unless the Exchange determines that the interests of a fair and orderly market are best served by opening trading in the options contracts.

(c) The Exchange may delay the commencement of trading in any class of options in the interests of a fair and orderly market.

Rule 21.8. Order Display and Book Processing

(a) All bids or offers made and accepted on MX2 Options in accordance with the Rules shall constitute binding contracts, subject to applicable requirements of the Exchange Rules and the Rules of the Clearing Corporation.

(b) Priority on the Exchange. The highest bid and lowest offer shall have priority on the Exchange.

(c) Pro-Rata Allocation. As set forth in paragraph (b) above, resting quotes and orders on the MX2 Options Book are prioritized according to price. If there are two or more quotes or orders at the best price then the contracts are allocated proportionally according to size (in a pro-rata fashion). The executable quantity is allocated to the nearest whole number, with fractions 1/2 or greater rounded up and fractions less than 1/2 rounded down. If the executable quantity cannot be evenly allocated, contracts will be distributed using the pro-rata priority methodology described in this Rule 21.8 until there are no contracts remaining.

(d) Additional Priority Overlays Applicable to the Pro-Rata Allocation Method. In connection with the allocation methodology set forth in paragraph (c) above, the Exchange may apply, on a class-by-class basis, one or more of the following designated market participant overlay priorities in a sequence determined by the Exchange. The Exchange will issue a notice to Options Members which will specify which classes of options are initially subject to these additional priority overlays and will provide such Options Members with reasonable advance notice of any changes to the application of such overlays.

(1) Priority Customer Orders. When this priority overlay (the “Customer Overlay”) is in effect, the highest bid and lowest offer shall have priority except that Priority Customer Orders shall have priority over orders on behalf of all other types of participants (“non-Customers”) at the same price. If there are two or more Priority Customer Orders for the same options series at the same price, priority shall be afforded to such Priority Customer Orders in the sequence in which they are received by the System.

(2) Preferred Market Maker. The Exchange may determine to grant Preferred Market Makers (“PMMs”) participation entitlements pursuant to the provisions of paragraph (f) below. As indicated in such paragraph, the PMM participation entitlement may only be in effect when the Customer Overlay is also in effect.

(3) Lead Market Maker. The Exchange may determine to grant Lead Market Makers (“LMMs”) the LMM participation entitlement and/or the LMM small order entitlement pursuant to the provisions of paragraph (g) below. As indicated in such paragraph, neither the LMM participation entitlement nor the LMM small order entitlement may be in effect in a class unless the Customer Overlay is also in effect.

(e) Non-Customer Orders. After executions resulting from Priority Overlays set forth in paragraph (d) above, Orders and Quotes within the System for the accounts of non-Customers, as defined in paragraph (d)(1) above, have next priority. If there is more than one highest bid or more than one lowest offer in the Consolidated Book for the account of a non-Customer, then such bids or offers will be afforded priority on a “size pro rata” basis.

(f) Preferred Market Maker Participation Entitlements. An Options Member may designate a Market Maker (“Preferred Market Maker” or “PMM”) on orders it enters into the System (“Preferred Orders”). The PMM must be registered with the Exchange as a Market Maker in the relevant option class at the time of receipt of the Preferred Order to be eligible to receive the PMM participation entitlement. Only Priority Customer Orders will be eligible to be preferred by an Options Member. The PMM participation entitlement shall not be in effect unless the Customer Overlay is in effect and the participation entitlement shall only apply to any remaining balance after Priority Customer orders have been satisfied. The PMM participation entitlements are as follows:

(1) For each incoming order, if the PMM has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(2) For orders of more than one contract, if the PMM participation entitlement applies, the executable quantity is allocated to the nearest whole number, with fractions 1/2 or greater rounded up and fractions less than 1/2 rounded down, as applicable.

(g) Lead Market Maker Participation Entitlements. An LMM may be appointed by the Exchange in option classes in accordance with Rule 22.2. Neither the LMM participation entitlement nor LMM small order entitlement may be in effect in a class unless the Customer Overlay is also in effect. When in effect, the LMM participation entitlement and/or LMM small order entitlement shall only apply to any remaining balance after Priority Customer Orders have been satisfied. The LMM entitlements are as follows:

(1) LMM Participation Entitlement. For each incoming order, if the LMM has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market

Maker quotation or non-Customer order at the NBBO and forty percent (40%) if there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(2) LMM Small Order Entitlement. Small size orders will be allocated in full to the LMM if the LMM has a priority quote at the NBBO. The Exchange will review this provision quarterly and will maintain the small order size at a level that will not allow small size orders executed by LMMs to account for more than 40% of the volume executed on the Exchange. Small size orders are defined as incoming orders of five (5) or fewer contracts.

(h) Conditions of Participation Entitlements. In allocating the participation entitlements set forth in this Rule 21.8 to the PMM and LMM the following shall apply:

(1) In a class of options where the PMM participation entitlement, the LMM participation entitlement, and the LMM small order entitlement are in effect and an Options Member has preferred an order to a PMM:

(A) if the PMM's priority quote is at the NBBO, the PMM's participation entitlement will supersede the LMM's participation entitlement, and the LMM small order entitlement, for an order preferred to such PMM;

(B) if the PMM's priority quote is not at the NBBO, the LMM's participation entitlement or LMM small order entitlement, as applicable, will apply to that order, provided the LMM's priority quote is at the NBBO;

(C) if an order is preferred to the LMM (i.e., the LMM is also the PMM), the LMM receives the LMM participation entitlement or LMM small order entitlement, as applicable, provided the LMM/PMM's priority quote is at the NBBO; and

(D) if neither the PMM's nor the LMM's priority quote is at the NBBO then executed contracts will be allocated in accordance with the pro-rata allocation methodology as described in paragraphs (c) and (e) above without regard to any participation entitlement.

(2) If any incoming order has not been preferred to a PMM by an Options Member, then the LMM participation entitlement or LMM small order entitlement, as applicable, will apply to that order, provided the LMM's priority quote is at the NBBO.

(3) The participation entitlements shall not be in effect unless the Customer Overlay is also in effect and the participation entitlements shall only apply to any remaining balance after Priority Customer Orders have been satisfied.

(4) Neither the LMM nor the PMM may be allocated a total quantity greater than the quantity they are quoting at the execution price. If the LMM's or the PMM's allocation of an order pursuant to its participation entitlement is greater than its pro-rata

share of priority quotes at the best price at the time that the participation entitlement is granted, neither the LMM nor the PMM shall receive any further allocation of that order.

(5) In establishing the counterparties to a particular trade, the participation entitlements must first be counted against the LMM's highest priority bids and offers or the PMM's highest priority bids or offers.

(6) These participation entitlements only apply to the allocation of executions among competing Market Maker priority quotes existing on the MX2 Options Book at the time the order is received by the Exchange. No market participant is allocated any portion of an execution unless it has an existing interest at the execution price. Moreover, no market participant can execute a greater number of contracts than is associated with its interest at a given price. Accordingly, the LMM participation entitlement, the LMM small order entitlement, and the PMM participation entitlement contained in this Rule are not guarantees.

(i) Price Improvement — any potential price improvement resulting from an execution in the System shall accrue to the party that is removing liquidity previously posted to the MX2 Options Book.

(j) MX2 Options — listed options that are the subject of a trading halt initiated pursuant to Rule 20.3 (Trading Halts), shall open for trading at the time specified by the Exchange pursuant to Rule 20.4. When the System opens, orders shall be added to the MX2 Options Book in time priority and executed as described above in this Rule.

(k) Match Trade Prevention. Pursuant to Rule 21.1(h), Users may direct that orders entered into the System not execute against orders entered under the same Unique Identifier. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.

(l) Priority of Reserve Orders. Nondisplayed portions of Reserve Orders are allocated in accordance with paragraph (c) above, but additional priority overlays do not apply, except for the Customer Overlay (if applicable).

(m) Cancel/Replace. If a User submits a cancel/replace message for a resting order, regardless of whether the cancel/replace message modifies any terms of the resting order, the order loses its priority position and is placed in a priority position based on the time the System receives the cancel/replace message, unless the User only (1) decreases the quantity of an order, or (2) modifies the Max Floor (if a Reserve Order).

Rule 21.9. Order Routing

(a) General. For System securities, the order routing process shall be available to Users from 9:30 a.m. Eastern Time until market close, and shall route orders as follows. Users can designate orders as either available for routing or not available for routing. Orders designated

as not available for routing and bulk messages, which are not eligible for routing, shall follow the book processing rules set forth in Rule 21.8 (Order Display and Book Processing) above.

(1) *Routing of Market Orders.* With respect to an order that is eligible for routing, the System will designate Market Orders as IOC or ISO and will cause such orders to be routed to one or more options exchanges for potential execution, per the entering User's instructions, in compliance the Options Order Protection and Locked/Crossed Market Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will cancel any unexecuted portion back to the User.

(2) *Routing of Marketable Limit Orders.* With respect to an order that is eligible for routing, the System will designate marketable Limit Orders as IOC or ISO and will cause such orders to be routed for execution to one or more options exchanges for potential execution, per the entering User's instructions, in compliance the Options Order Protection and Locked/Crossed Market Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as an order with a Book Only instruction subject to the price adjust process as defined in Rule 21.1(i), if applicable, or (ii) repeat the process described above by executing against the MX2 Options Book and/or routing orders to other options exchanges until the original, incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will be posted in the MX2 Options Book.

(3) *Routing Table.* The System will consider the quotations only of accessible markets when routing. The term "System routing table" refers to the proprietary process for determining the specific options exchanges to which the System routes orders and the order in which it routes them. The Exchange reserves the right to route orders simultaneously or sequentially and to modify the System routing table at any time without notice.

(b) *Priority of Routed Orders.* Orders that have been routed by the System to other options exchanges are not ranked and maintained in the MX2 Options Book pursuant to Rule 21.8, and therefore are not available to execute against incoming orders. Once routed by the System, an order becomes subject to the rules and procedures of the destination options exchange including, but not limited to, order cancellation. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System.

(c) *Users whose orders are routed to other options exchanges shall be obligated to honor such trades that are executed on other options exchanges to the same extent they would be obligated to honor a trade executed on MX2 Options.*

(d) MX2 Options shall route orders in options via MEMX Execution Services LLC (“MEMX Execution Services”), which serves as the Outbound Router of the Exchange, as defined in Rule 2.11 (MEMX Execution Services LLC as Outbound Router). The function of the Outbound Router will be to route orders in options listed and open for trading on MX2 Options to other options exchanges pursuant to the rules of MX2 Options solely on behalf of MX2 Options. The Outbound Router is subject to regulation as a facility of the Exchange, including the requirement to file proposed rule changes under Section 19 of the Act. Use of MEMX Execution Services or Routing Services described in paragraph (e) below to route orders to other market centers is optional. Parties that do not desire to use MEMX Execution Services for routing or other Routing Services provided by the Exchange must designate orders as not available for routing.

(e) Back-Up Order Routing Services. In the event the Exchange is not able to provide order routing services through its affiliated broker-dealer pursuant paragraph (d) above, the Exchange will route orders to other options exchanges in conjunction with one or more routing brokers that are not affiliated with the Exchange (“Routing Services”) as described in this paragraph (e). In connection with such services, the following shall apply:

(1) For each routing broker used by the Exchange, an agreement will be in place between the Exchange and the routing broker that will, among other things, restrict the use of any confidential and proprietary information that the routing broker receives to legitimate business purposes necessary for routing orders at the direction of the Exchange.

(2) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the routing broker, and any other entity, including any affiliate of the routing broker, and, if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the routing services.

(3) The Exchange may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(4) The Exchange will provide its Routing Services in compliance with the provisions of the Act and the rules thereunder, including, but not limited to, the requirements in Section 6(b)(4) and (5) of the Act that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

(5) For all Routing Services, the Exchange will determine the logic that provides when, how, and where orders are routed away to other options exchanges.

(6) The routing broker will receive routing instructions from the Exchange, to route orders to other options exchanges and report such executions back to the Exchange. The routing broker cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(7) Any bid or offer entered on the Exchange routed to another options exchange via a routing broker that results in an execution shall be binding on the User that entered such bid/offer.

(f) *Market Access.* In addition to the Exchange Rules regarding routing to away options exchanges, MEMX Execution Services, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Users with access to such away options exchanges. Pursuant to the policies and procedures developed by MEMX Execution Services to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering User's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), MEMX Execution Services will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

Rule 21.10. Anonymity

(a) Aggregated and individual transaction reports produced by the System will indicate the details of a User's transactions, including the contra party's EFID, capacity, and clearing firm account number.

(b) The Exchange shall reveal a User's identity when a registered clearing agency ceases to act for a participant, or the User's clearing firm, and the registered clearing agency determines not to guarantee the settlement of the User's trades.

(c) The Exchange shall reveal a User's identity for regulatory purposes or to comply with an order of an arbitrator or court.

Rule 21.11. Transaction Price Binding

The price at which an order is executed shall be binding notwithstanding that an erroneous report in respect thereto may have been rendered, or no report rendered. A report shall not be binding if an order was not actually executed but was reported to have been executed in error.

Rule 21.12. Clearing Member Give Up

(a) *General.* For each transaction in which a User participates, the User may indicate, at the time of the trade or through post-trade allocation, any Options Clearing Corporation ("OCC") number of the Clearing Member through which the transaction will be cleared ("give up"). The Clearing Member that is given up must be a Designated Give Up or a Guarantor of the User as set forth in paragraph (b) below. Clearing Members may elect to Opt In, as defined and

described in paragraph (c) below, and restrict one or more of its OCC number(s) (“Restricted OCC Number”). A User may give up a Restricted OCC Number provided the User has written authorization as described in paragraph (c)(2) below (“Authorized User”) and provided the Restricted OCC Number belongs to a Designated Give Up of the User.

(b) *Designated Give Ups.*

(1) *Definition of Designated Give Up.* For purposes of this Rule, a Designated Give Up of a User refers to a Clearing Member identified to the Exchange by that User as a Clearing Member the User requests the ability to give up and that has been processed by the Exchange as a Designated Give Up.

(2) *Definition of Guarantor.* For purposes of this Rule, a “Guarantor” of an executing User refers to a Clearing Member that has issued a Letter of Guarantee for the executing User under the Rules of the Exchange that are in effect at the time of the execution of the applicable trade.

(3) *Identification of Designated Give Up.* Every User (other than a Market Maker) must identify, in a form and manner prescribed by the Exchange and in advance of giving up any Clearing Member that is not a Guarantor for the User, any Designated Give Ups. A User shall only give up (A) a Clearing Member that has previously been identified and processed by the Exchange as a Designated Give Up for that User, provided that the Designated Give Up has not Opted In, or provided that the User is an Authorized User of that Designated Give Up, or (B) a Guarantor for that User.

(4) *Non Market Makers.* Any User (other than a Market Maker) may designate, pursuant to subparagraph (b)(3) above, any Clearing Member other than its Guarantor, as a Designated Give Up.

(5) *Market Makers.* For each transaction in which a Market Maker participates, a Guarantor of the Market Maker shall be the Clearing Member through which the transaction will be cleared.

(6) *Guarantors.* A Guarantor for a User will be enabled to be given up for that User without any further action by the Clearing Member or User.

(7) *Removal of Designated Give Up.* If a User (other than a Market Maker) no longer wants the ability to give up a particular Designated Give Up, the User must notify the Exchange, in a form and manner prescribed by the Exchange.

(c) *Opt In.* Clearing Members may request the Exchange restrict one or more of their OCC clearing numbers (“Opt In”) as described in subparagraph (c)(1) below. If a Clearing Member Opt In, the Exchange will require written authorization from the Clearing Member permitting a User to give up a Clearing Member’s Restricted OCC Number. An Opt In would remain in effect until the Clearing Member terminates the Opt In as described in subparagraph

(c)(3) below. If a Clearing Member does not Opt In, that Clearing Member's OCC number would be subject to give up by any User.

(1) *Clearing Member Process to Opt In.* A Clearing Member may Opt In by sending a completed "Clearing Member Restriction Form" listing all Restricted OCC Numbers and Authorized Users. A Clearing Member may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Member would be required to submit the Clearing Member Restriction Form to the Exchange's Membership Department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(2) *User Give Up Process for Restricted OCC Numbers.* A User desiring to give up a Restricted OCC Number must become an Authorized User. The Clearing Member will be required to authorize a User as described in subparagraph (1) or (3), unless the Restricted OCC Number is already subject to a Letter of Guarantee that the User is a party to.

(3) *Amendments to Authorized Users or Restricted OCC Numbers.* A Clearing Member may amend its Authorized Users or Restricted OCC Numbers by submitting a new Clearing Member Restriction Form to the Exchange's Membership Department indicating the amendment as described on the form. Once a Restricted OCC Number is effective within the System pursuant to paragraph (1) above, the Exchange may permit the Clearing Member to authorize, or remove authorization for, a User to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify Users if they are no longer authorized to give up a Clearing Member's Restricted OCC Number. If a Clearing Member removes a Restricted OCC Number, any User may give up that OCC clearing number once the removal has become effective on or before the next business day, provided that the User has identified the Clearing Member as a Designated Give Up.

(d) *System.* The Exchange's trading systems shall only accept orders that identify an effective Designated Give Up or a Guarantor. For any Restricted OCC Number, the Exchange's trading systems will only accept orders for that number from an Authorized User that has also designated that Clearing Member as a Designated Give Up.

(e) *Notice.* The Exchange shall notify a Clearing Member, in writing and as soon as practicable, of each User that has identified the Clearing Member as a Designated Give Up pursuant to subparagraph (b)(3) above. The Exchange shall notify a User, in writing and as soon as practicable, of each Clearing Member that has identified the User as an Authorized User pursuant to subparagraph (c) above.

(f) *Other Give Up Changes.*

(1) *Give Up Changes Made by Executing User.* If the executing User has the ability through an Exchange system to do so, the User may change the give up on the

trade to another Designated Give Up, provided it's an Authorized User for any Restricted OCC Number, or to its Guarantor. The ability of an executing User to make any give up change will end at the trade input cutoff time established by the Clearing Corporation (or fifteen minutes thereafter if the Exchange receives and is able to process a request to extend its time of final trade submission to the Clearing Corporation) ("Trade Date Cutoff Time").

(2) *Give Up Changes Made by Designated Give Ups to Affiliates and Back Office Agents.* If a Designated Give Up has the ability through an Exchange system to do so, the Designated Give Up may change the give up on a trade to (A) another Clearing Member affiliated with the Designated Give Up or (B) a Clearing Member that is a back office agent for the Designated Give Up. The ability to make such a change will end at the Trade Date Cutoff Time.

(3) *Give Up Changes Made by Designated Give Ups or Guarantors and Clearing Members on T+1.* If a Designated Give Up (or Guarantor) and a Clearing Member have the ability through an Exchange system to do so, the Designated Give Up (or Guarantor) and Clearing Member may each enter trade records into the Exchange's systems on the next trading day ("T+1") that would effect a transfer of a trade in nonexpired option series from that Designated Give Up (or Guarantor) to that Clearing Member. The ability to make such a change will end at 12:00 p.m. Eastern Time on T+1 ("T+1 Cutoff Time"). The Designated Give Up (or Guarantor) will notify the Exchange and all the parties to the trade, in writing, of any such change.

(g) *Responsibility.* For purposes of the Rules of the Exchange, a Clearing Member will be financially responsible for all trades for which it is the give up at the Applicable Cutoff Time. Nothing in this Rule will preclude a different party from being responsible for the trade outside of the Rules of the Exchange pursuant to the Rules of the Options Clearing Corporation, any agreement between the applicable parties, other applicable rules and regulations, arbitration, court proceedings or otherwise. For purposes of this Rule, the "Applicable Cutoff Time" shall refer to the Cutoff Time for non-expiring option series and to the Trade Date Cutoff Time for expiring option series.

(h) *Misuse.* An intentional misuse of this Rule is impermissible, and may be treated as a violation of Rule 3.1.

Interpretations and Policies

.01 Nothing herein will be deemed to preclude the clearance of Exchange transactions by a non-User pursuant to the By-Laws of the Options Clearing Corporation so long as a Clearing Member who is a User is also designated as having responsibility under these Rules for the clearance of such transactions.

Rule 21.13. Submission for Clearance

(a) All options transactions effected on MX2 Options shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the Rules of the Clearing Corporation. Every Clearing Member shall be responsible for the clearance of MX2 Options Transactions of such Clearing Member and of each User that gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee or other authorization given by such Clearing Member to such User, which authorization must be submitted to the Exchange.

(b) On each business day at or prior to such time as may be prescribed by the Clearing Corporation, MX2 Options shall furnish the Clearing Corporation a report of each Clearing Member's matched trades.

Rule 21.14. Message Traffic Mitigation

For the purpose of message traffic mitigation, based on MX2 Options' traffic with respect to target traffic levels and in accordance with MX2 Options' overall objective of reducing both peak and overall traffic:

(a) MX2 Options will periodically delist options with an average daily volume ("ADV") of less than 100 contracts. The Exchange will, on a monthly basis, determine the ADV for each series listed on MX2 Options and delist the current series and not list the next series after expiration where the ADV is less than 100 contracts. For options series traded solely on MX2 Options, the Exchange will delay delisting until there is no open interest in that options series.

(b) MX2 Options will implement a process by which an outbound quote message that has not been sent, but is about to be sent, will not be sent if a more current quote message for the same series is available for sending. This replace on queue functionality will be applied to all options series listed on MX2 Options in real time and will not delay the sending of any messages.

(c) MX2 Options will also prioritize price update messages and send out price updates before sending size update messages. This functionality will be applied to all options series listed on the MX2 Options and in conjunction with the previously described replace on queue functionality will ensure that MX2 Options quote update messages are the most current and relevant available.

(d) All message traffic mitigation mechanisms which are used on MX2 Options will be identical to the OPRA "top of the book" broadcast.

Rule 21.15. Data Dissemination

(a) Dissemination of Quotations. The Exchange will disseminate to quotation vendors the highest bid and the lowest offer, and the aggregate quotation size associated therewith that is available, in accordance with the requirements of Rule 602 of Regulation NMS under the Exchange Act.

(b) Exchange Data Products. The Exchange offers the following data products free of charge, except as otherwise noted in the Fee Schedule:

(1) MEMOIR MX2 Options Depth. MEMOIR MX2 Options Depth is an uncompressed data feed that offers depth of book quotations and execution information based on options orders entered into the System.

(2) MEMOIR MX2 Options Top. MEMOIR MX2 Options Top is an uncompressed data feed that offers top of book quotations and execution information based on options orders entered into the System.

(3) DROP. DROP is an uncompressed data feed that offers information regarding the options trading activity of a specific User. DROP is only available to the User to whom the specific data relates and those recipients expressly authorized by the User.

(4) Historical Data. Historical Data is a data product that offers historical options data.

(c) Notification of Priority Customer Interest on the Book.

(1) The Exchange will make available to all market participants through OPRA an indication that there is Priority Customer interest included in the BBO disseminated by the Exchange.

(2) The Exchange will identify Priority Customer Orders and trades as such on messages disseminated by the Exchange through its MEMOIR MX2 Options Depth data feed.

Rule 21.16. Risk Monitor Mechanism

(a) Risk Parameters. Each User may configure limits for the following parameters in the Exchange's Risk Monitor Mechanism. The System tracks each of the following within an underlying for an EFID ("underlying limit"), across all underlyings for an EFID ("EFID limit"), across all underlyings for a group of EFIDs ("EFID Group") ("EFID Group limit"), and/or across a customized group of orders designated by the User ("Custom Group limit"), over a User-established time period ("interval") and on an absolute basis for a trading day ("absolute limits"):

(1) number of contracts executed ("volume");

(2) notional value of executions ("notional");

(3) number of executions ("count");

(4) number of contracts executed as a percentage of number of contracts outstanding within an Exchange-designated time period or during the trading day, as applicable (“percentage”), which the System determines by calculating the percentage of a User’s outstanding contracts that executed on each side of the market during the time period or trading day, as applicable, and then summing the series percentages on each side in the underlying; and

(5) number of times the limits established by the parameters under (a)(1)-(4) above are reached (“risk trips”).

(b) *Active Risk Counter.* A User may optionally manage its risk limits actively using the Exchange’s active risk counter. For a User using the active risk counter, the System increments the active risk counter associated with a defined parameter when such parameter increments. The System will decrement the active risk counter upon positive confirmation from the User via an electronic instruction that the User has acknowledged a change in the active risk counter. A User may specify the value by which each parameter increments and decrements in the active risk counter.

(c) *Risk Limits Reached.* When the System determines that a specified parameter has reached the User defined risk limit, depending on the User’s instructions and the applicable limit that has been reached (i.e., underlying limit, EFID limit, EFID Group limit or Custom Group limit), the Risk Monitor Mechanism:

(1) cancels or rejects such User’s orders or quotes in all series of the applicable underlying(s) and cancels or rejects any additional orders or quotes from the User in the applicable underlying(s) until the counting program resets; or

(2) suspends all of such User’s resting orders or quotes in all series of the applicable underlying(s) and cancels or rejects any additional orders or quotes from the User in the applicable underlying(s) until the Exchange is instructed to reinstate such bids and offers (as described below).

The Risk Monitor Mechanism will also attempt to cancel or reject any orders routed away to other exchanges.

(d) *Executions through Risk Limits.* The System will execute any marketable orders or quotes that are executable against a User’s order or quote and received prior to the time the Risk Monitor Mechanism is triggered at the price up to the size of the User’s order or quote, even if such execution results in executions in excess of the User’s risk limit with respect to any parameter.

(e) *Counting Program Reset.*

(1) *Reset Process.* The System will not accept new orders or quotes from a User after a risk limit is reached until the User submits an electronic instruction to the

System to reset the applicable counting program, acknowledges the changes in the active risk counter, or notifies the Exchange to reset the applicable counting program.

(2) *Reset Limit.* The Exchange may restrict the number of User underlying, EFID, EFID Group, and Custom Group resets per second.

(3) *Failure to Reset.* If the Exchange cancels all of a User's orders and quotes and the User does not reactivate its ability to send orders and quotes, the block will be in effect only for the trading day that the User reached its underlying, EFID, EFID Group, and/or Custom Group limit.

(4) *Other Resets.* The System will reset the counting period for absolute limits when a User refreshes its risk limit thresholds. The System will reset the counting program and commence a new interval time period when (A) a previous interval time period has expired and a transaction occurs in any series of an underlying or (B) a User refreshes its risk limit thresholds prior to the expiration of the interval time period.

(f) *Mass Cancellation or Suspension.* A User may also engage the Risk Monitor Mechanism to cancel resting bids and offers, as well as subsequent orders as set forth in Rule 22.10 or to suspend all resting bids and offers until the Exchange is instructed to reinstate such bids and offers.

Rule 21.17. Additional Price Protection Mechanisms and Risk Controls

The System's acceptance and execution of orders, quotes, and bulk messages, as applicable, are subject to the price protection mechanisms and risk controls in Rule 21.16, this Rule and as otherwise set forth in the Rules. All numeric values established by the Exchange pursuant to this Rule will be maintained by the Exchange in publicly available specifications and/or published in a Regulatory Circular. Unless otherwise specified the price protections set forth in this Rule, including the numeric values established by the Exchange, may not be disabled or adjusted. The Exchange may share any of a User's risk settings with the Clearing Member that clears transactions on behalf of the User.

(a) *Market Order NBBO Width Protection.* If a User submits a Market Order to the System when the NBBO width is greater than x% of the midpoint of the NBBO, subject to minimum and maximum dollar values established by the Exchange, the System will reject or cancel back to the User the Market Order. The Exchange will establish "x" and the minimum and maximum values on a class-by-class basis. This protection does not apply to bulk messages.

(b) *Limit Order Fat Finger Check.* If a User submits a buy (sell) Limit Order to the System with a price that is more than a buffer amount established by the Exchange above (below) the NBO (NBB), the System will reject or cancel back to the User the Limit Order. This check does not apply to bulk messages.

(c) *Buy Order Put Check.* If a User enters a buy Limit Order for a put with a price that is higher than or equal to the strike price of the option, the System will reject or cancel back

to the User the Limit Order. If a User enters a buy Market Order for a put that would execute at (or the remaining portion would execute at) a price higher than or equal to the strike price of the option, the System will reject or cancel back to the User the Market Order (or remaining portion). This check does not apply to adjusted options or bulk messages.

(d) Drill-Through Price Protection. The System executes an incoming order up to a buffer amount (the Exchange determines the buffer amount on a class and premium basis) above (below) the offer (bid) limit of the NBO (NBB) that existed at the time of order entry, respectively (the “Drill-Through Price”). The unexecuted portion of an order will be cancelled back to the User. This protection does not apply to bulk messages.

(e) Market Orders in No-Bid (Offer) Series.

(1) If the System receives a sell Market Order in a series after it is open for trading with an NBB of zero:

(A) if the NBO in the series is less than or equal to \$0.50, then the System converts the Market Order to a Limit Order with a limit price equal to the minimum quoting increment applicable to the series and enters the order into the MX2 Options Book with a timestamp based on the time it enters the Book.

(B) if the NBO in the series is greater than \$0.50, then the System cancels or rejects the Market Order.

(2) If the System receives a buy market order in a series after it is open for trading with an NBO of zero, the System cancels or rejects the Market Order.

(3) This protection does not apply to bulk messages.

(f) Bulk Message Fat Finger Check. The System cancels or rejects any bulk message bid (offer) more than a buffer amount above (below) the NBO (NBB), subject to a minimum and maximum dollar value, determined by the Exchange on a class-by-class basis. This check does not apply to bulk messages submitted when no NBBO is available.

(g) Rejection of Bulk Message Updates. If, pursuant to the Rules, the System cancels or rejects a bulk message bid (offer) to update a resting bulk message bid (offer) submitted for the same EFID and bulk port, the System also cancels the resting bulk message bid (offer).

Interpretations and Policies:

.01 In addition to the risk settings set forth in this Rule and Rule 21.16, the Exchange offers certain risk settings applicable to a User’s activities on MX2 Options. The following risk settings currently offered by MX2 Options will result in the order being cancelled on entry:

(a) controls related to the maximum dollar amount for a single order and the maximum number of contracts that may be included in a single order;

(b) controls related to the order types or modifiers that can be utilized as well as orders when the market is crossed;

(c) controls to restrict the options classes for which a User may enter orders to test symbols only;

(d) controls prohibiting the entry of duplicative orders;

(e) controls restricting the overall rate of order entry; and

(f) credit controls measuring both gross and net exposure that warn when approached and, when breached, prevent submission of either all new orders or Market Orders only.

.02 (a) MX2 Options also offers risk functionality that permits a User to (i) cancel all unexecuted orders and quotes in the MX2 Options Book, or (ii) block the entry of any new orders and quotes, or (iii) both cancel all unexecuted orders and quotes in the MX2 Options Book and block the entry of any new orders and quotes. In addition to (i), (ii), and (iii), the Exchange also offers (iv) risk functionality that automatically cancels a User's open orders and quotes to the extent the User loses its connection to the Exchange.

(b) MX2 Options offers batch cancel functionality that permits a User to cancel any orders or quotes in any series of options by requesting the Exchange to affect such cancellation. A User initiating such a request may also request that the Exchange block new inbound orders in any series of options. The block will remain in effect until the User requests the Exchange remove the block.

.03 The risk controls described in this Rule are meant to supplement, and not replace, the Member's or User's own internal systems, monitoring, and procedures related to risk management and are not designed for compliance with Rule 15c3-5 under the Exchange Act. Responsibility for compliance with all Exchange and SEC rules remains with the Member or User.

CHAPTER 22. MARKET PARTICIPANTS

Rule 22.1. Customer Orders and Order Entry Firms

Order Entry Firms (OEFs) are those Options Members representing as agent Customer Orders on MX2 Options or trading as principal on MX2 Options.

Rule 22.2. Options Market Maker Registration and Appointment

Options Members registered as Market Makers have certain rights and bear certain responsibilities beyond those of other Options Members. All Market Makers are designated as specialists on MX2 Options for all purposes under the Exchange Act.

(a) To register as a Market Maker, an Options Member must file an application in writing on such forms as the Exchange may prescribe. The Exchange reviews applications and considers an applicant's market making ability and such other factors as the Exchange deems appropriate in determining whether to approve an applicant's registration as a Market Maker.

(b) The registration of any Options Member as a Market Maker may be suspended or terminated by the Exchange upon a determination that such Options Member has failed to properly perform as a Market Maker.

(c) The Exchange may appoint one LMM per option class. There is no limit on the number of Options Members that may become Market Makers unless the Exchange determines to impose a limit based on system constraints, capacity restrictions, or other factors relevant to protecting the integrity of the System. The Exchange will not impose any such limitations until it has submitted objective standards for imposing the limits to the SEC for its review and approval.

(d) An Options Member or prospective Options Member adversely affected by an Exchange determination under this Chapter 22, including the Exchange's termination or suspension of an Options Member's registration as a Market Maker or a Market Maker's appointment to a class, may obtain a review of such determination in accordance with the provisions of Chapter 10.

(e) A registered Market Maker must register to make markets in option classes as set forth in Rule 22.3, below. Market Makers may select from among any option classes traded on the Exchange to request appointment as an LMM during all trading sessions, subject to the approval of the Exchange. In considering the approval of the appointment of an LMM in each class, the Exchange will consider:

(1) The Market Maker's preference;

(2) the financial resources available to the Market Maker;

(3) the Market Maker's experience, expertise and past performance in making markets, including the Market Maker's performance in other classes;

(4) the Market Makers operational capability; and

(5) the maintenance and enhancement of competition among Market Makers in each appointed class, including pursuant to the performance standards set forth in paragraph (i) below.

(f) Market Makers may request a change to the class for which they are appointed as LMM, subject to the approval of the Exchange. Such requests must be made in a form and manner prescribed by the Exchange. In considering whether to approve a Market Maker's request to change their appointment, the Exchange will consider the factors set forth in subsection (e), above.

(g) Market Makers may withdraw from trading a class that is within their appointment as an LMM by providing the Exchange with three business days' written notice of such withdrawal. Market Makers who fail to give advance written notice of withdrawal to the Exchange may be subject to formal disciplinary action pursuant to Chapter 8 of the Exchange's Rules.

(h) The Exchange may suspend or terminate any appointment of an LMM in one or more classes under this Rule whenever, in the Exchange's judgment, the interests of a fair and orderly market are best served by such action.

(i) Performance Standards for LMMs. The Exchange will periodically conduct an evaluation of LMMs to determine whether they have fulfilled performance standards relating to, among other things, quality of markets, competition among Market Makers, observance of ethical standards, and administrative factors. The Exchange may consider any relevant information including, but not limited to, the results of a Market Maker evaluation, trading data, a Market Maker's regulatory history and such other factors and data as may be pertinent in the circumstances.

(1) If the Exchange finds any failure by a Market Maker to meet minimum performance standards, the Exchange may take the following actions, after written notice and after opportunity for hearing pursuant to Chapter X of the Exchange's Rules:

(2) restriction of appointments to additional classes as a Lead Market Maker;

(3) suspension, termination, or restriction of a LMM appointment in one or more classes; or

(4) suspension, termination, or restriction of the Market Maker's registration in general.

If a Market Maker's appointment in a class or classes has been terminated pursuant to this paragraph (i), the Market Maker may not be re-appointed as a LMM in that class or classes for a period not to exceed 6 months

Rule 22.3. Market Maker Class Appointments

(a) An Options Member that has qualified as an Options Market Maker may select class appointments to make markets in those classes.

(b) An Options Market Maker may enter an appointment request via an Exchange approved electronic interface with the Exchange's systems by 9:00 a.m. Eastern Time, which appointment becomes effective on the day the Market Maker enters the appointment request.

(c) The Exchange may limit the number of appointments an Options Market Maker may have, or the number of Options Market Makers that may have appointments in a class, pursuant to Rule 22.2(c).

Rule 22.4. Good Standing for Market Makers

(a) To remain in good standing as a Market Maker, the Market Maker must:

(1) Continue to meet the requirements established in SEC Rule 15c3-1, and the general membership requirements set forth in the Chapter 2 of the Exchange Rules and the requirements for Market Makers as set forth in Rule 22.2 (Options Market Maker Registration and Appointment);

(2) comply with the Exchange Rules as well as the Rules of the OCC and the Federal Reserve Board; and

(3) pay on a timely basis such participation, transaction and other fees as the Exchange and MX2 Options prescribes.

(b) The Exchange may suspend or terminate an Option Member's registration as a Market Maker or a Market Maker's appointment to a class, or otherwise withdraw the good standing of a Market Maker as provided in the Exchange Rules, if the Market Maker ceases to maintain any of these conditions for approval or violates any of its agreements with the Exchange or any of the provisions of the Exchange Rules.

Rule 22.5. Obligations of Market Makers

(a) In registering as a Market Maker, an Options Member commits himself to various obligations. Transactions of a Market Maker in its market making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Ordinarily, a Market Maker must:

(1) during trading hours, a Market Maker must maintain a continuous two-sided market, in each of its appointed classes, pursuant to Rule 22.6(d)(1);

(2) engage, to a reasonable degree under the existing circumstances, in dealings for its own accounts when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of (or demand for) a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class;

(3) compete with other Market Makers in its appointed classes;

(4) make markets that will be honored for the number of contracts entered into MX2 Options' system in its appointed classes;

(5) update quotations in response to changed market conditions in its appointed classes; and

(6) maintain active markets in its appointed classes.

(b) Options Market Makers should only effect purchases or sales on MX2 Options in a reasonable and orderly manner.

(c) If the Exchange finds any substantial or continued failure by an Options Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, the Options Market Maker will be subject to disciplinary action or suspension or revocation of registration as a Market Maker or its appointment in one or more of its appointed classes. Nothing in this Rule will limit any other power of the Exchange under the Rules, or procedures of MX2 Options with respect to the registration or appointment of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule.

Rule 22.6. Market Maker Quotations

(a) Firm Quotes.

Market Maker bids and offers are firm for all orders under this Rule and Rule 602 of Regulation NMS under the Exchange Act ("Rule 602") for the number of contracts specified in the bid or offer, except if:

(1) a system malfunction or other circumstance impairs the Exchange's ability to disseminate or update market bids and offers in a timely and accurate manner;

(2) the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on the Exchange;

(3) prior to the conclusion of the opening process; or

(4) any of the circumstances provided in paragraph (c)(4) of Rule 602 exist.

(b) Size Associated with Quotes. A Market Maker's bid (offer) for a series of options contracts must be accompanied by the number of contracts at the price of the bid (offer) the Market Maker is willing to buy (sell). The best bid and best offer entered by a Market Maker must have a size of at least one (1) contract.

(c) Two-Sided Quotes. A Market Maker that enters a bid (offer) in a series in an appointed class on MX2 Options must enter an offer (bid).

(d) Continuous Quotes. A Market Maker must enter continuous bids and offers (in accordance with the requirements in Rules 22.5 and 22.6) in 60% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance, for which that Market Maker's appointed classes are open for trading, excluding any adjusted series, any intraday add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days.

(1) Specifically, the Exchange will calculate this requirement by taking the total number of seconds the Market Maker disseminates quotes in each appointed class, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days, and dividing that time by the eligible total number of seconds each appointed class is open for trading that day. Quoting is not required in every appointed class. This quoting obligation applies to all of the Market Maker's appointed classes collectively. The Exchange determines compliance by a Market Maker with the quoting obligations in this paragraph (d) on a monthly basis. However, determining compliance with this quoting obligation on a monthly basis does not relieve a Market Maker from meeting this obligation on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet this obligation each trading day.

(2) If a technical failure or limitation of the System prevents a Market Maker from maintaining, or from communicating to the Exchange, timely and accurate quotes in a series, the Exchange does not consider the duration of such failure when determining whether that Market Maker has satisfied the 60% quoting standard with respect to that series.

(3) The continuous quoting obligations set forth in this paragraph (d): (i) will be suspended during a trading halt, suspension, or pause in the underlying security, and will not recommence until after the first regular way transaction on the primary listing market in the underlying security following such halt, suspension, or pause in the underlying security, as reported by the responsible single plan processor, and (ii) will be suspended for the duration that an underlying NMS stock is in a limit up-limit down state.

(4) The Exchange may consider other exceptions to this obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(e) The Exchange may call on a Market Maker to submit a single quote or maintain continuous quotes in one or more series of a Market Maker's appointed class whenever, in the judgment of the Exchange, it is necessary to do so in the interest of maintaining a fair and orderly market.

(f) A Market Maker is considered an OEF under the Rules in all classes in which the Market Maker has no appointment. The total number of contracts a Market Maker may execute in classes in which it has no appointment may not exceed twenty-five (25) percent of the total number of all contracts the Market Maker executes on the Exchange in any calendar quarter.

Rule 22.7. Securities Accounts and Orders of Market Makers(a) Identification of Accounts.

In a manner prescribed by the Exchange, each Market Maker shall file with the Exchange and keep current a list identifying all accounts for stock, options and related securities trading in which the Market Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market Maker shall engage in stock, options or related securities trading in an account which has not been reported pursuant to this Rule.

(b) Reports of Orders.

Each Market Maker shall, upon request and in the prescribed form, report to the Exchange every order entered by the Market Maker for the purchase or sale of (1) a security underlying options traded on MX2 Options, or (2) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Rule. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.

(c) Joint Accounts.

No Market Maker shall, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is an Options Member and unless such account is reported to, and not disapproved by, the Exchange. Such reports in a form prescribed by the Exchange shall be filed with the Exchange before any transaction is effected on MX2 Options for such joint account. A participant in a joint account must:

(1) Be either a Market Maker or a Clearing Member that carries the joint account.

(2) File and keep current a completed application on such form as is prescribed by the Exchange.

(3) Be jointly and severally responsible for assuring that the account complies with all Exchange Rules.

(4) Not be a Market Maker registered to the same options classes to which the joint account holder is also registered as a Market Maker.

Interpretations and Policies

.01 Reports of accounts and transactions required to be filed with MX2 Options pursuant to this Rule relate only to accounts in which a Market Maker, as an individual, directly or indirectly controls trading activities or has a direct interest in the profits or losses of such account. Such reports would be required for accounts over which a Market Maker exercises investment discretion as well as a Market Maker's proprietary accounts.

Rule 22.8. Letters of Guarantee

(a) Required of Each Options Member.

No Options Member shall make any transactions on MX2 Options unless a Letter of Guarantee has been issued for such Member by a Clearing Member and filed with the Exchange, and unless such Letter of Guarantee has not been revoked pursuant to paragraph (c) of this Rule.

(b) Terms of Letter of Guarantee.

A Letter of Guarantee shall provide that the issuing Clearing Member accepts financial responsibilities for all MX2 Options Transactions made by the guaranteed Options Member.

(c) Revocation of Letter of Guarantee.

A Letter of Guarantee filed with the Exchange shall remain in effect until a written notice of revocation has been filed with the Exchange by the Guarantor Clearing Member. A revocation shall in no way relieve a Clearing Member of responsibility for transactions guaranteed prior to the effective date of such revocation.

Rule 22.9. Financial Requirements for Market Makers

(a) Each Market Maker shall maintain (i) net liquidating equity in its Market Maker account of not less than \$200,000, and in conformity with such guidelines as the Board may establish from time to time, and (ii) net capital sufficient to comply with the requirements of Exchange Act Rule 15c3-1. Each Market Maker which is a Clearing Member shall also maintain net capital sufficient to comply with the requirements of the Clearing Corporation. This equity requirement, as well as all other provisions of the section (including capital maintenance requirements), applies to each Market Maker account, without regard to the number of Market Maker accounts per firm. The term "net liquidating equity" means the sum of positive cash balances and long securities positions less negative cash balances and short securities positions.

(b) Each Market Maker that makes an arrangement to finance his transactions as a Market Maker must identify in writing to the Exchange the source of the financing and its terms. The Exchange must be informed immediately of the intention of any party to terminate or change any such arrangement.

Rule 22.10. Mass Cancellation of Trading Interest

A User may simultaneously cancel all or a subset of its bids, offers, and orders in all series of options or in all options for a specified underlying security by requesting the Exchange to effect such cancellation. A User may also request that the Exchange block all or a subset of its new inbound bids, offers, and orders in all series of options or in all options for a specified underlying security. The block will remain in effect until the User requests the Exchange remove the block.

Rule 22.11. Order Exposure Requirements

With respect to orders routed to MX2 Options, Options Members may not execute as principal orders they represent as agent unless (a) agency orders are first exposed on MX2 Options for at least one (1) second or (b) the Options Member has been bidding or offering on MX2 Options for at least one (1) second prior to receiving an agency order that is executable against such bid or offer.

Interpretations and Policies

.01 This Rule prevents Options Members from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on MX2 Options an opportunity to either trade with the agency order or to trade at the execution price when the Options Member was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for an Options Member to establish a relationship with a customer or other person to deny agency orders the opportunity to interact on MX2 Options and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of this Rule for an Options Member to be a party to any arrangement designed to circumvent this Rule by providing an opportunity for a customer to regularly execute against agency orders handled by the Options Member immediately upon their entry into MX2 Options.

.02 It will be a violation of this Rule for an Options Member to cause the execution of an order it represents as agent on MX2 Options against orders it solicited from Options Members and non-Options Member broker-dealers, whether such solicited orders are entered into MX2 Options directly by the Options Member or by the solicited party (either directly or through another Options Member), if the Options Member fails to expose orders on MX2 Options as required by this Rule.

.03 With respect to non-displayed trading interest, including the reserve portion of a Reserve Order, the exposure requirement of subsection (a) of this Rule is satisfied if the displayable portion of the order is displayed at its displayable price for one second.

.04 Prior to or after submitting an order to MX2 Options, an Options Member cannot inform another Options Member or any other third party of any of the terms of the order.

CHAPTER 23. EXERCISES AND DELIVERIES

The rules contained in MEMX Chapter 23, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter

23 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 23 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 24. RECORDS, REPORTS AND AUDITS

The rules contained in MEMX Chapter 24, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter 24 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 24 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 25. DISCIPLINE AND SUMMARY SUSPENSIONS

Rule 25.1. Suspensions

The provisions of Chapter 7 (Suspension by Chief Regulatory Officer), Chapter 8 (Discipline), Chapter 9 (Arbitration), and Chapter 10 (Adverse Action) of the Exchange Rules shall be applicable to Options Members and trading on MX2 Options.

Rule 25.2. Contracts of Suspended Members

(a) When an Options Member, other than a Clearing Member, is suspended pursuant to the Rules in this Chapter, all open short positions of the suspended Options Member in options contracts and all open positions resulting from exercise of options contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the Rules of the Clearing Corporation, shall be closed without unnecessary delay by all Options Members carrying such positions for the account of the suspended Options Member; provided that the Exchange may cause the foregoing requirement to be temporarily waived for such period as it may determine if it shall deem such temporary waiver to be in the interest of the public or the other Options Members of MX2 Options.

(b) No temporary waiver hereunder by the Exchange shall relieve the suspended Options Member of its obligations or of damages, nor shall it waive the close out requirements of any other Rules.

(c) When a Clearing Member is suspended pursuant to the Rules in this Chapter, the positions of such Clearing Member shall be closed out in accordance with the Rules of the Clearing Corporation.

Rule 25.3. Penalty for Minor Rule Violations

The following MX2 Options rule and policy violations may be determined by the Exchange to be minor in nature. If so, the Exchange may, with respect to any such violation, proceed under Rule

8.15 (Imposition of Fines for Minor Violation(s) of Rules) and impose the fine set forth below. The Exchange is not required to proceed under said Rules as to any rule violation and may, whenever such action is deemed appropriate, commence a disciplinary proceeding under Chapter 8 (Discipline) rules as to any such violation. A subsequent violation is calculated on the basis of a rolling 24-month period ("Period").

(a) Position Limit and Exercise Limit Violations.

Violations of Rule 18.7 (Position Limits) or Rule 18.9 (Exercise Limits) of these Rules shall be subject to the fines listed below.

<u>Number of Violations Within One Period</u>	<u>Fine Amount</u>
<u>First Offense</u>	<u>\$500</u>
<u>Second Offense</u>	<u>\$1,000</u>
<u>Third Offense</u>	<u>\$2,500</u>
<u>Fourth and Each Subsequent Offense</u>	<u>\$5,000</u>

* A violation that consists of (i) a 1 trade date overage, (ii) a consecutive string of trade date overage violations where the position does not change or where a steady reduction in the overage occurs, or (iii) a consecutive string of trade date overage violations resulting from other mitigating circumstances, may be deemed to constitute one offense, provided that the violations are inadvertent.

(b) Reports Related to Position Limits.

Violations of Rule 18.10 regarding the failure to accurately report position and account information shall be subject to the fines listed below.

<u>Number of Violations Within One Period</u>	<u>Fine Amount</u>
<u>1</u>	<u>\$500</u>
<u>2</u>	<u>\$1,000</u>
<u>3</u>	<u>\$2,500</u>
<u>4 or more</u>	<u>\$5,000</u>

(c) Market Maker Quoting Obligations.

Violations of Rule 22.6(b)-(d) regarding Market Maker initial quote volume requirements (Rule 22.6(b)), Market Maker two-sided quote requirements (Rule 22.6(c)) and Market Maker continuous bids and offers (Rule 22.6(d)) shall be subject to the fines listed below.

<u>Number of Offenses Within One Period</u>	<u>Fine Amount</u>
<u>1</u>	<u>Letter of Caution</u>
<u>2</u>	<u>\$1,500</u>
<u>3</u>	<u>\$3,000</u>
<u>Subsequent Offenses</u>	<u>Formal Disciplinary Action</u>

(d) Expiring Exercise Declarations.

(1) Non-Cash-Settled Equity Options. Violations of Rule 23.1(a) through (k) regarding expiring exercise declarations and the timely submission of “Advice Cancel” or exercise instruction relating to the exercise or non-exercise of non-cash-settled equity options shall be subject to the fines listed below.

<u>Number of Violations Within One Period</u>	<u>Fine Amount</u>	
	<u>Individual</u>	<u>Member Organization</u>
<u>1</u>	<u>\$500</u>	<u>\$1,000</u>
<u>2</u>	<u>\$1,000</u>	<u>\$2,500</u>
<u>3 or more</u>	<u>\$2,500</u>	<u>\$5,000</u>

(2) American-Style, Cash-Settled Index Options. Violations of Rule 23.1(l) regarding the failure to submit an Exercise Advice; the submission of an advice and no subsequent exercise; the submission of an Exercise Advice after the designated cutoff time; the submission of an Exercise Advice for an amount different than the amount exercised; and the time-stamping of an advice or exercise instruction memorandum prior to purchasing contracts shall be subject to the fines listed below.

<u>Number of Violations Within One Period</u>	<u>Fine Amount</u>
<u>1</u>	<u>\$500</u>
<u>2</u>	<u>\$1,000</u>

<u>3</u>	<u>\$2,500</u>
<u>4 or more</u>	<u>\$5,000</u>

(e) Requests for Trade Data.

Any Options Member who fails to respond within ten (10) business days to a request by the Exchange for submission of trade data pursuant to Rule 24.4 shall be subject to the fines listed below.

<u>Number of Violations Within One Period</u>	<u>Fine Amount</u>
<u>1</u>	<u>\$2,500</u>
<u>2 or more</u>	<u>\$5,000 or Formal Disciplinary Action</u>

(f) Consolidated Audit Trail Compliance Rules.

For failures to comply with the Consolidated Audit Trail Compliance Rule requirements of Rules 4.5 through 4.16, the Exchange may impose a minor rule violation fine of up to \$2,500.

CHAPTER 26. DOING BUSINESS WITH THE PUBLIC

The rules contained in MEMX Chapter 26, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter 26 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 26 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 27. OPTIONS ORDER PROTECTION AND LOCKED AND CROSSED MARKETS RULES

The rules contained in MEMX Chapter 27, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter 27 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 27 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 28. MARGIN REQUIREMENTS

The rules contained in MEMX Chapter 28, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter

28 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 28 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).

CHAPTER 29. INDEX RULES

The rules contained in MEMX Chapter 29, as such rules may be in effect from time to time, are hereby incorporated by reference into this Chapter. Members must comply with MEMX Chapter 19 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from MEMX Chapter 19 have the following meaning for purposes of this Chapter: “Exchange” means “MX2”; and “Member” (i.e., MEMX Member) means “Member (i.e., MX2 Member).