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NYSE American Rules

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Trading of Option Contracts

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

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

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Rule 935NY. Order Exposure Requirements

With respect to orders routed to the Exchange[System], Users may not execute as principal orders they represent as agent unless (i) agency orders are first exposed on the Exchange for at least one (1) second; (ii) the User has been bidding or offering on the Exchange for at least one (1) second prior to receiving an agency order that is executable against such bid or offer; (iii) the User utilizes the Customer Best Execution Auction (“CUBE Auction”) pursuant to Rules 971.1NY or 971.2NY; or (iv) the User utilizes the Complex Order Auction [Process] (“COA”) pursuant to Rule 980NY(e) or 980NYP(f).

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Rule 980NY. Electronic Complex Order Trading

This Rule is not applicable to trading on Pillar.

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Rule 980NYP. Electronic Complex Order Trading

(a) Definitions. The following are definitions for purposes of this Rule.

(1) “Away Market Deviation” means the difference between the Exchange BB (BO) for a series and the ABB (ABO) for that same series when the Exchange BB (BO) is lower (higher) than the ABB (ABO). The maximum allowable Away Market Deviation is the greater of \$0.05 or 5% below (above) the ABB (ABO) (rounded down to the nearest whole penny). No ECO on the Exchange will execute at a price that would exceed the maximum allowable Away Market Deviation on any component of the complex strategy.

(2) “Complex NBBO” means the derived national best net bid and derived national best net offer for a complex strategy calculated using the NBB and NBO for each component leg of a complex strategy.

(3) “Complex Order Auction” or “COA” means an auction of an ECO as set forth in paragraph (f) of this Rule. The following terms are used for purposes of a COA:

(A) “COA Order” means an ECO that is designated by the ATP Holder as eligible to initiate a COA.

(B) “Request for Response” or “RFR” means the message disseminated to the Exchange’s proprietary complex data feed announcing that the Exchange has received a COA Order and has begun a COA. Each RFR message will identify the component series, the price, the size and side of the market of the COA Order.

(C) “RFR Response” means any ECO received during the Response Time Interval that is in the same complex strategy, on the opposite side of the market of the COA Order that initiated the COA and marketable against the COA Order.

(D) “Response Time Interval” means the period of time during which RFR Responses for a COA may be entered. The Exchange will determine and announce by Trader Update the length of the Response Time Interval; provided, however, that the duration of the Response Time Interval will not be less than 100 milliseconds and will not exceed one (1) second.

(4) “Complex strategy” means a particular combination of leg components and their ratios to one another. New complex strategies can be created when the Exchange receives either a request to create a new complex strategy or an ECO with a new complex strategy.

(5) “DBBO” means the derived best net bid (“DBB”) and derived best net offer (“DBO”) for a complex strategy. The bid (offer) price used to calculate the DBBO on each leg will be the Exchange BB (BO) (if available), bound by the maximum allowable Away Market Deviation. If a leg of a complex strategy does not have an Exchange BB (BO), the bid (offer) price used to calculate the DBBO will be the ABB (ABO) for that leg. The DBBO will be updated as the Exchange BBO or ABBO, as applicable, is updated.

(A) If, for a leg, there is no Exchange BB (BO) and no ABB (ABO), the bid (offer) price used to calculate the DBBO will be the offer (bid) price for that leg (i.e., the Exchange BO (BB), bound by the maximum allowable Away Market Deviation (or the ABO (ABB) for that leg if no Exchange BO (BB) is available)), minus (plus) the collar amounts specified in Rule 900.3NYP(a)(4)(C) (the “collar value”); or \$0.01 if the result of subtracting one collar value from the offer would be equal to or less than zero.

(B) If, for a leg of a complex strategy, there is neither an Exchange BBO nor an ABBO, the Exchange will not allow the complex strategy to trade until, for that leg,

there is either an Exchange BB or BO, or an ABB or ABO, on at least one side of the market.

(C) If the best bid and offer prices (when not based solely on the Exchange BBO) for a component leg of the complex strategy are locked or crossed, the Exchange will not allow an ECO for that strategy to execute against another ECO until this condition resolves. If an Away Market quote updates to lock or cross the current Exchange BB (BO) or ABB (ABO) for a component leg of a complex strategy, the Exchange will allow an ECO for that strategy to execute against leg market interest on the Exchange.

(6) “ECO Order Instruction” means a request to cancel, cancel and replace, or modify an ECO.

(7) “Electronic Complex Order” or “ECO” means a Complex Order as defined in Rule 900.3NYP(f) that is submitted electronically to the Exchange.

(8) “Leg” or “leg market” means each of the component option series that comprise an ECO.

(9) “Ratio” or “leg ratio” means the quantity of each leg of an ECO reduced to the least common denominator. The “smallest leg ratio” is the portion of the ratio represented by the leg with the fewest contracts.

(b) Types of ECOs.

(1) ECOs may be entered as Limit Orders, Limit Orders designated as Complex Only Orders, or as Complex QCCs.

(2) ECOs may be designated with a time-in-force of Day, IOC, FOK, or GTC, as those terms are defined in Rule 900.3NYP(b), or GTX.

(A) An ECO designated as IOC or FOK will be rejected if entered during a pre-open state.

(B) An ECO designated as FOK must also be designated as a Complex Only Order.

(C) An ECO designated as GTX (“COA GTX Order”) will not be displayed, may be entered only during the Response Time Interval of a COA, must be on the opposite side of the COA Order, and must specify the price, size, and side of the market. COA GTX Orders may be modified or cancelled during the Response Time Interval and any remaining size that does not trade with the COA Order will be cancelled at the end of the COA.

(c) Priority and Pricing of ECOs. An ECO received by the Exchange that is not immediately executed (or cancelled), including if it cannot trade under paragraphs (a)(5)(B)-(C) and (c)(1)-(2) of this Rule, or does not initiate a COA per paragraph (f)(1), will be ranked in the Consolidated Book based on total net price, per Rule 964NYP, with Customer orders at a price ranked ahead

of same-priced non-Customer orders. Unless otherwise specified in this Rule, ECOs are processed as follows:

(1) When trading with the leg markets, an ECO will trade at the price(s) of the leg markets unless the leg markets are priced more than the maximum allowable Away Market Deviation.

(2) When trading with another ECO, each component leg of the ECO must trade at a price at or within the Exchange BBO for that series, and no leg of the ECO may trade at a price of zero.

(3) An ECO may trade without consideration of prices of the same complex strategy available on other exchanges.

(4) Bids and offers for complex strategies may be expressed in one cent (\$0.01) increments, and the leg(s) of complex strategies may trade in one cent (\$0.01) increments regardless of the MPV otherwise applicable to the individual leg(s) of the ECO.

(d) Execution of ECOs at the Open (or Reopening after a Trading Halt).

(1) The Exchange will initiate an ECO Opening Auction Process for a complex strategy only if all legs of the complex strategy have opened or reopened for trading, provided that a complex strategy will not be opened if:

(A) Any leg of the complex strategy has neither an Exchange BO nor an ABO; or

(B) The complex strategy cannot trade per Rule 980NYP(a)(5)(B)-(C).

(2) ECOs in a complex strategy with prices that lock or cross one another will be eligible to trade in the ECO Opening Auction Process.

(A) An ECO received during a pre-open state does not participate in the Auction Process for the leg markets pursuant to Rule 952NYP.

(B) A complex strategy created intra-day when all leg markets are open will not be subject to an ECO Opening Auction Process and will instead trade pursuant to paragraph (e) of this Rule.

(C) The ECO Opening Auction Process will be used to reopen trading in ECOs after a trading halt.

(3) ECO Opening Auction Process.

(A) ECO Auction Collars. The upper (lower) price of an ECO Auction Collar for a complex strategy is the DBO (DBB). If the DBO (DBB) is calculated using the Exchange BBO for all legs of the complex strategy and all such Exchange BBOs have displayed Customer interest, the upper (lower) price of an ECO Auction Collar will be one penny (\$0.01) times the smallest leg ratio inside the DBO (DBB).

(B) *ECO Auction Price.* The ECO Auction Price will be the price at which the maximum volume of ECOs can be traded in an ECO Opening Auction, subject to the ECO Auction Collar. If there is more than one price at which the maximum volume of ECOs can be traded within the ECO Auction Collar, the ECO Auction Price will be the price closest to the midpoint of the ECO Auction Collar, or, if the midpoint falls within such prices, the ECO Auction Price will be the midpoint, provided that the ECO Auction Price will not be lower (higher) than the highest (lowest) price of an ECO to buy (sell) that is eligible to trade in the ECO Opening (or Reopening) Auction Process. If the ECO Auction Price is a sub-penny price, it will be rounded to the nearest whole penny.

(i) An ECO to buy (sell) with a limit price at or above (below) the upper (lower) ECO Auction Collar will be included in the ECO Auction Price calculation at the price of the upper (lower) ECO Auction Collar.

(ii) Locking and crossing ECOs in a complex strategy will trade at the ECO Auction Price. If there are no locking or crossing ECOs in a complex strategy at or within the ECO Auction Collars, the Exchange will open the complex strategy without a trade.

(iii) *Auction Allocation.* ECOs eligible to participate in the ECO Opening (or Reopening) Auction Process will be ranked as provided in Rule 964NYP(c)-(g) and will trade as follows:

(a) ECOs priced better than the ECO Auction Price will trade based on ranking; and

(b) ECOs priced at the ECO Auction Price will trade per Rule 964NYP(j).

(4) *ECO Order Processing during ECO Opening Auction Process.* New ECOs and ECO Order Instructions received when the Exchange is conducting the ECO Opening Auction Process for the complex strategy will be accepted but will not be processed until after the conclusion of this process. When the Exchange is conducting the ECO Opening Auction Process, ECO Order Instructions will be processed as follows:

(A) An ECO Order Instruction received during the ECO Opening Auction Process will not be processed until after this process concludes if it relates to an ECO that was received before the process begins. Any subsequent ECO Order Instruction(s) relating to such ECO will be rejected if received during the ECO Opening Auction Process when a prior ECO Order Instruction is pending.

(B) An ECO Order Instruction received during the ECO Opening Auction Process will be processed on arrival if it relates to an order that was received during this process.

(5) *Transition to continuous trading.* After the ECO Opening Auction, ECOs will be subject to ECO Price Protection, per paragraph (g)(2) of this Rule and, if eligible to trade, will trade as follows:

(A) ECOs received before the complex strategy was opened that did not trade in whole in the ECO Opening Auction Process and that lock or cross other ECOs or leg markets in the Consolidated Book will trade pursuant to paragraph (e) of this Rule; otherwise, such ECOs will be added to the Consolidated Book.

(B) Next, ECOs received during the ECO Opening Auction Process will be processed in time sequence relative to one another based on original entry time.

(e) Execution of ECOs During Core Trading Hours.

(1) Once a complex strategy is open for trading, an ECO will trade with the best-priced contra-side interest as follows:

(A) If, at a price, the leg markets can trade with an eligible ECO, in full or in a permissible ratio, the leg markets will trade first at that price, pursuant to Rule 964NYP, until the quantities on the leg markets are insufficient to trade with the ECO, at which time such ECO will trade with contra-side ECOs resting in the Consolidated Book at that price, pursuant to Rule 964NYP.

(B) An ECO will not trade with orders in the leg markets designated as AON, FOK, or with an MTS modifier.

(C) An ECO designated as Complex Only is eligible to trade solely with another ECO and will not trade with the leg markets. A Complex Only Order must trade at a price at or within the DBBO, provided that if the DBB (DBO) is calculated using the Exchange BBOs for all legs of the complex strategy and all such Exchange BBOs have displayed Customer interest, the Complex Only Order will not trade below (above) one penny (\$0.01) times the smallest leg ratio inside the DBB (DBO), regardless of whether there is sufficient quantity on such leg markets to satisfy the ECO.

(D) An ECO will be processed as a Complex Only Order if the ECO has a complex strategy with:

(i) more than five legs;

(ii) two legs and both legs are buying or both legs are selling, and both legs are calls or both legs are puts; or

(iii) three or more legs and all legs are buying or all legs are selling.

(2) The Exchange will evaluate trading opportunities for a resting ECO when the leg markets comprising a complex strategy update, provided that during periods of high message volumes, such evaluation may be done less frequently.

(f) Execution of ECOs During a COA. A COA Order received when a complex strategy is open for trading and that satisfies the requirements of paragraph (1) below will initiate a COA only on arrival after trading with eligible interest per paragraph (2)(A) below. A COA Order will be

rejected if entered during a pre-open state or if entered during Core Trading Hours with a time-in-force of FOK or GTX. Only one COA may be conducted at a time in a complex strategy.

(1) Initiation of a COA. To initiate a COA, the limit price of the COA Order to buy (sell) must be higher (lower) than the best-priced, same-side ECOs resting on the Consolidated Book and equal to or higher (lower) than the midpoint of the DBBO. A COA Order that does not satisfy these pricing parameters will not initiate a COA and, unless cancelled, will be ranked in the Consolidated Book and processed as an ECO pursuant to paragraph (e) above. Once a COA is initiated, the Exchange disseminates a Request for Response message, the Response Time Interval begins and, during such interval, the Exchange will accept RFR Responses, including COA GTX Orders.

(2) Pricing of a COA. A COA Order to buy (sell) will initiate a COA at its limit price, unless its limit price locks or crosses the DBO (DBB), in which case it will initiate a COA at a price equal to one penny (\$0.01) times the smallest leg ratio inside the DBO (DBB) (the "COA initiation price").

(A) Prior to initiating a COA, a COA Order to buy (sell) will trade with any ECO to sell (buy) resting in the Consolidated Book that is priced equal to or lower (higher) than the DBO (DBB), unless the DBO (DBB) is calculated using the Exchange BBO for all legs of the complex strategy and all such Exchange BBOs have displayed Customer interest, in which case the COA Order will trade up (down) to one penny (\$0.01) times the smallest leg ratio inside the DBO (DBB). Any unexecuted portion of such COA Order will initiate a COA.

(B) A COA Order will not be eligible to trade with the leg markets until after the COA ends.

(3) Early End to a COA. A COA will end before the expiration of the Response Time Interval if:

(A) The Exchange receives an incoming ECO or COA Order to buy (sell) in the same complex strategy that is priced higher (lower) than the initiating COA Order to buy (sell).

(B) The Exchange receives an RFR Response that locks or crosses the DBBO on the same side as the COA Order.

(C) The leg markets update causing the DBBO on the same side as the COA Order to lock or cross (i) any RFR Response(s) or (ii) if no RFR Responses have been received, the best-priced, contra-side ECOs.

(D) The leg markets update causing the contra-side DBBO to lock or cross the COA initiation price.

(4) Allocation of COA Orders. When a COA ends early or at the end of the Response Time Interval, a COA Order will be executed as follows:

(A) RFR Responses to sell (buy) that are priced equal to or lower (higher) than a COA Order to buy (sell) will trade with the COA Order down (up) to the DBB (DBO), but if all legs of the DBB (DBO) are calculated using Exchange BBOs and all such Exchange BBOs have displayed Customer interest, RFR Responses to sell (buy) will not trade below (above) one penny (\$0.01) times the smallest leg ratio inside the DBB (DBO).

(i) The COA Order will trade with the best priced contra-side interest and, within each priority category, will trade first with Customer RFR Responses in time priority, followed by non-Customer RFR Responses on a size pro rata basis pursuant to Rule 964NYP(i). Non-Customer RFR Responses will be capped at the remaining size of the COA Order for purposes of size pro rata allocation.

(B) After COA allocations pursuant to paragraph (f)(4)(A) of this Rule, any unexecuted balance of a COA Order (including those designated as IOC) will be eligible to trade with any contra-side interest, including the leg markets, unless the COA Order is designated or treated as a Complex Only Order.

(C) After a COA Order trades pursuant to paragraph (f)(4)(B) of this Rule, any unexecuted balance of a COA Order that is not cancelled will be ranked in the Consolidated Book and processed as an ECO pursuant to paragraph (e) of this Rule.

(5) Prohibited Conduct related to COAs. A pattern or practice of submitting unrelated quotes or orders that cause a COA to conclude early will be deemed conduct inconsistent with just and equitable principles of trade.

(g) ECO Risk Checks.

(1) Complex Strategy Limit. The Exchange will establish a limit on the maximum number of new complex strategies that may be requested to be created per MPID, which limit will be announced by Trader Update. When an MPID reaches the limit on the maximum number of new complex strategies, the Exchange will reject all requests to create new complex strategies from that MPID for the rest of the trading day. Notwithstanding the established Complex Strategy Limit, the Exchange may reject a request to create a new complex strategy from any MPID whenever the Exchange determines it is necessary in the interests of a fair and orderly market.

(2) ECO Price Protection.

(A) Each trading day, an ECO to buy (sell) will be rejected or cancelled (if resting) if it is priced a Specified Threshold amount or more above (below) the Reference Price, as follows:

(i) An ECO that arrives when a complex strategy is open for trading will be evaluated for ECO Price Protection on arrival.

(ii) An ECO received during a pre-open state will be evaluated for ECO Price Protection after the ECO Opening Auction Process concludes.

(iii) An ECO resting on the Consolidated Book before a trading halt will be reevaluated for ECO Price Protection after the ECO Opening Auction Process concludes.

(iv) Cross Orders will not be subject to ECO Price Protection.

(v) ECO Price Protection will not be applied if there is no Reference Price for an ECO.

(B) Reference Price. The Reference Price for calculating ECO Price Protection for an ECO to buy (sell) will be the Complex NBO (NBB), provided that, immediately following an ECO Opening Auction Process, the Reference Price will be the ECO Auction Price or, if none, the Complex NBO (NBB). There will be no Reference Price for an ECO if there is no NBBO for any leg of such ECO. For purposes of determining a Reference Price, the Exchange will not use an adjusted NBBO.

(C) Specified Threshold. The Specified Threshold for calculating ECO Price Protection will be \$1.00, unless determined otherwise by the Exchange and announced to ATP Holders by Trader Update.

(3) Complex Strategy Protections. To protect an ATP Holder that sends an ECO (each an “ECO sender”) with the expectation that it will receive (or pay) a net premium but has priced the ECO such that the ECO sender will instead pay (or receive) a net premium, the Exchange will reject any ECO that is comprised of the following erroneously-priced complex strategies:

(A) “All buy” or “all sell” strategies. An ECO for a complex strategy where all legs are to buy (sell) and it is entered at a price less than one penny (\$0.01) times the sum of the number of options in the ratio of each leg of such strategy (e.g., a complex strategy to buy (sell) 2 calls and buy (sell) 1 put with a price less than \$0.03).

(B) Vertical spreads. A vertical spread complex strategy consists of a leg to sell a call (put) option and a leg to buy a call (put) option in the same option class with the same expiration but at different strike prices, as follows:

(i) An ECO for a vertical spread to buy a lower (higher) strike call and sell a higher (lower) strike call and the ECO sender would receive (pay) a net premium.

(ii) An ECO for a vertical spread to buy a higher (lower) strike put and sell a lower (higher) strike put and the ECO sender would receive (pay) a net premium.

(C) Calendar spreads. A calendar spread consists of a leg to sell a call (put) option and a leg to buy a call (put) option in the same option class at the same strike price but with different expirations, as follows.

(i) An ECO for a calendar spread to buy a call leg with a shorter (longer) expiration while selling a call leg with a longer (shorter) expiration and the ECO sender would pay (receive) a net premium.

(ii) An ECO for a calendar spread to buy a put leg with a shorter (longer) expiration while selling a put leg with a longer (shorter) expiration and the ECO sender would pay (receive) a net premium.

(D) Any ECO that is not rejected by the Complex Strategy Protections would still be subject to the ECO Price Protection, per paragraph (g)(2) of this Rule.

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