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## RULES OF THE NYSE ARCA, INC.

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### RULE 6-O OPTIONS TRADING

#### Rules Principally Applicable to Trading of Option Contracts

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#### Rule 6.60-O.Price Protection - Orders

(a) Trade Collar Protection.

(1) The Exchange will [not immediately execute]limit the immediate execution of the following incoming orders (each a “collared order”):

[(i)](A) Market Orders or a marketable Limit Order (“Marketable Orders”) if the width of the NBBO is greater than one Trading Collar, as defined in paragraph (a)(2) below or,

[(ii)](B) the balance of a Marketable Order [or a marketable Limit Order (“Marketable Orders”)] to buy (sell) that would execute at a price that exceeds the National Best Offer (“NBO”) (National Best Bid (“NBB”)) plus (minus) the value of one Trading Collar.

(2) A “Trading Collar” shall be determined by the Exchange on a class-by-class basis and, unless announced otherwise via Trader Update, shall be as follows:

(A) for buy (sell) orders:

- (i) \$0.25 for each option contract for which the NBB (NBO) is less than \$2.00,
- (ii) \$0.40 where the NBB (NBO) is \$2.00 or more but does not exceed \$5.00,
- (iii) \$0.50 where the NBB (NBO) is more than \$5.00 but does not exceed \$10.00,
- (iv) \$0.80 where the NBB (NBO) is more than \$10.00 but does not exceed \$20.00, and
- (v) \$1.00 when the NBB (NBO) is \$20.01 or more.[;]

[(B) for sell orders:

- (i) \$0.25 for each option contract for which the NBO is less than \$2.00,
- (ii) \$0.40 where the NBO is \$2.00 or more but does not exceed \$5.00,
- (iii) \$0.50 where the NBO is more than \$5.00 but does not exceed \$10.00,
- (iv) \$0.80 where the NBO is more than \$10.00 but does not exceed \$20.00, and
- (v) \$1.00 when the NBO is \$20.01 or more;]

[(C)](B) To preserve a fair and orderly market, the Exchange may, with the approval of two Trading Officials, grant intra-day relief to widen or narrow the Trading Collar for one or more option series.

- (3) Trade Collar Protection does not apply to quotes, IOC Orders, AON Orders, FOK Orders and NOW Orders. IOC Orders, AON Orders, FOK Orders and NOW Orders receive an[immediate] execution, depending upon the availability of an execution pursuant to the terms of those orders.
- (4) When an incoming Marketable Order is subject to Trade Collar Protection pursuant to (a)(1)[(i)](A) above, the Exchange will [not immediately]limit the execution and/or routing of [execute or route] such orders, [and instead will ]assign a “collar execution price” pursuant to paragraphs (a)(4)(B) and (C) below, and process the [Market Order]collared order as follows:
- (A) A Market Order to buy (sell) received when there is already a collared order to buy (sell) will join that collared order and be processed consistent with paragraphs (a)(4)(C) - (a)(6) below.
- (B) A Market Order to buy (sell) received when there is not already a collared order to buy (sell) will be assigned a collar execution price[displayed at a price] equal to the NBB (NBO) plus (minus) one Trading Collar [(the “collared order”).]; provided, however, that:
- (i) a Market Order to buy entered when the NBB is \$0.00 will be assigned a collar execution price equal to the NBB (i.e., \$0.00) plus one Trading Collar; and
  - (ii) a Market Order to sell entered when the NBO is \$0.00 will be rejected.
- (C) A marketable Limit Order to buy (sell) received when there is no other order already being collared will be assigned a collar execution price equal to the NBO (NBB). A marketable Limit Order received when there is already an order being

collared will join that collared order and be processed consistent with paragraph (a)(6)(B) below.

[(B)](D) The [Exchange will execute or route the] collared order to buy (sell) will trade against any contra-side interest priced equal to its collar execution price or at prices within one Trading Collar above (below) the collar execution price (the “Collar Range”).[displayed price of the collared order.]

(E) The Exchange will cancel a Market Order, or the balance thereof, that has been collared pursuant to paragraph (a)(1)(A) or (B) above, if after exhausting trading opportunities within the Collar Range, the Exchange determines there are no quotes on the Exchange and/or no interest on another market in the affected option series.

(5) Display of collared orders. A Market Order that does not trade on arrival will display at its collar execution price. The balance of a partially executed Marketable Order to buy (sell) that is subject to Trade Collar Protection pursuant to paragraph (a)(1)(B) above will display at the MPV for the option, pursuant to Rule 6.72-O (Trading Differentials), as follows:

(A) If it has traded against all available interest within the Collar Range, the order will be displayed at the most recent execution price; or

(B) If there is contra-side interest priced within one Trading Collar of the most recent execution price, the order will be displayed at the higher (lower) of its assigned collar execution price or the best execution price of the order that is both within the Collar Range and at least one Trading Collar away from the best priced contra-side trading interest (i.e., lowest sell interest for collared buy orders/highest buy interest for collared sell orders).

[(C)](6) Repricing of collared orders. The Exchange will assign a new collar execution price to [redisplay] the collared order [upon the following]per paragraphs (a)(6)(A)-(C) below:

[(i)](A) an update to the NBBO (based on another market or a quote on the Exchange; or a Limit Order on the Exchange priced one Trading Collar or less away from the collared order) that improves the same side of the market as the collared order will result in the collared order being [redisplayed at]assigned a new collar execution price equal to the new NBB (for buy orders) or NBO (for sell orders) and processed at the updated collar execution price consistent with paragraphs (a)(4)(D) and (a)(5) above;

[(ii)](B) [a Marketable Order to buy (sell) on the same side of the market as the collared order or] a Limit Order, other than an IOC Order, AON Order, FOK Order or NOW Order, to buy (sell) on the same side of the market as the collared order and priced greater than one Trading Collar above (below) the

displayed price of the collared order will itself become subject to Trade Collar Protection and will result in the collared order and [the Marketable Order or] the Limit Order being [displayed at] assigned a collar execution price one Trading Collar above (below) the displayed price of the collared order and processed at the updated collar execution price consistent with paragraphs (a)(4)(D) and (a)(5) above;

[(iii)](C) upon the expiration of one second and absent an update to the NBBO, the collared order to buy (sell) will [redisplay at a price] be assigned a new collar execution price one Trading Collar above (below) the current displayed price of the collared order and processed at the updated price consistent with paragraphs (a)(4)(D) and (a)(5) above; provided, however, that if the collared order is a Market Order to sell that has reached \$0.00, it will not be assigned a new collar execution price but will be posted in the Consolidated Book at its MPV (e.g., \$0.01 or \$0.05).

[(D)](7) If the collared order is a Limit Order that has reached its limit price, it will not be displayed at a price beyond its limit, but will be posted at its limit in the Consolidated Book.

[(5) When the balance of a partially executed Marketable Order to buy (sell) is subject to Trade Collar Protection pursuant to (a)(1)(ii) above, the balance of the order will be displayed at the last sale price. If there is an opportunity for trading within a Trading Collar above (below) the last sale price, the balance of the buy (sell) order will be displayed at the NBB (NBO) established at the time of the initial execution. The Exchange will treat the balance of the partially executed order subject to Trade Collar Protection as a collared order described in (a)(4) above.]

[(6)](8) All orders for which Trade Collar Protection prevents immediate execution will be processed in accordance with Rule 6.76-O. Order Ranking and Display — OX. [ranked based on time priority (with all other orders for which Trade Collar Protection prevents immediate execution).]

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### **Rule 6.65A-O. Limit-Up and Limit-Down During Extraordinary Market Volatility**

Rule 6.65A-O(a), (b) and (c) [shall] will be in effect during a pilot period that expires at the close of business on October 18, 2019. Capitalized terms used in this Rule [shall] will have the same meaning as provided for in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS (“LULD Plan”).

(a) Treatment of Orders during a Limit State and Straddle State in the Underlying NMS stock.

(1) The Exchange [shall]will reject Market Orders, as defined in Rule 6.62-O(a), entered when the underlying NMS stock is either in a Limit State or a Straddle State and [shall]will notify OTP Holders of the reason for such rejection. The Exchange will cancel any Market Order that is a collared order pursuant to Rule 6.60-O(a) if the underlying NMS stock enters a Limit State or a Straddle State and will notify OTP Holders of the reason for such cancellation.

(2) The Exchange [shall]will not elect Stop Orders, as defined in Rule 6.62-O(d)(1), when the underlying NMS stock is either in a Limit State or a Straddle State.

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